AFRICA RECOVERY

JUNE 1991 VOL. 5 NO. 1

ECA ministers call for new international agenda for Africa

By Makonnen Haile and Ernest Harsch

African ministers, at a meeting in Addis Ababa in May, have called for a new "international agenda" to support the region's recovery efforts. "Africa does not need another UNPAAERD," the 9-13 May meeting of the Economic Commission for Africa (ECA) Conference of Ministers concluded. The UN Programme of Action for African Economic Recovery and Development, they found, "had very little positive impact" on the continent's economic performance over its 1986-90 period, and had failed to rally the expected international support for Africa's reform efforts.

A similar programme would be unlikely to bring any more favourable results and might, in fact, "exacerbate the marginalization of Africa," the ministers warned. In treating Africa as a separate, "ad hoc problem," ECA Executive Secretary Adebayo Adedeji said, a renewed UN programme might contribute instead to removing the continent's main concerns from those of the world community as a whole.

A better approach, the African ministers proposed, would be to work out a new "international agenda for cooperation" with Africa. This should focus on specific issues and provide Africa with the resources it needs to continue its economic reforms and to implement its existing regional and sectoral strategies and programmes for economic recovery and development.

Specifically, the African ministers called on the international community to commit itself to a range of new support measures, including cancellation of the bulk of bilateral aid and export credit debt, amendment to the

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TO MEET CHALLENGE OF BOTH STRIFE AND REPRESSION

Africa moves towards radical restructuring of political framework

By Salim Lone

The framework for a radical new effort to contain and reduce violence and strife on the continent, and to ensure that each African country adheres to a minimum set of democratic practices, was laid by a group of African leaders meeting in Kampala, Uganda, 19-22 May.

The meeting's proposals went straight to the early June summit of the Organization of African Unity (OAU) in Abuja, Nigeria. They could mark the beginning of a far-reaching and ambitious process of restructuring of the political framework in which the OAU has operated for almost 30 years.

The proposed changes if accepted, would mean far greater OAU involvement in issues which up to now have been the exclusive concern of individual countries. They would include the institution of peace-keeping machinery which could authorize intervention in a member state in the event of external aggression or could take steps to ensure the security of those facing "acts of wanton repression and gross violation of basic human rights."

The Kampala initiative, first mooted over a year ago, rapidly gained momentum in the face of the deteriorating political situation in a number of African countries and changing international perceptions on the sanctity of national sovereignty in the face of overwhelming humanitarian concerns.

The meeting's conclusions also reflected the growing African awareness that the efforts at economic recovery underway for a number of years could not succeed unless some fundamental political reforms were introduced.

The Kampala conference on Security, Stability, Development and Cooperation in Africa (SSDCA) came after numerous international brainstorming sessions. It was hosted by Ugandan President Yoweri Museveni, and organized by General Olusegun Obasanjo, the former Nigerian head of state who now heads the Africa Leadership Forum, and the executive chiefs of the OAU and the

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Julian Ozanne/SYGMA

African peace-keeping forces, like the West African one sent to Liberia, could become more widely used.

UN to revitalize Africa support

By Salim Lone

Despite the talk of Africa's marginalization, "there is an enormous amount of goodwill towards the continent which we at the United Nations can draw on and revitalize in support of African development," says the newly-elected chairman of the Ad Hoc Committee of the Whole of the UN General Assembly, Ambassador Martin Huslid of Norway. The Committee, in a special two-week session 3-13 September, will review the Africa Recovery Programme adopted in 1986 and propose measures needed to initiate the sustainable economic recovery that continues to elude the continent.

The UN General Assembly, says Mr. Huslid, is the one international institution which can provide direction and a framework for coordinated African development efforts for the host of institutions actively trying to support the continent from their own, often diverse, viewpoints.

"UNCTAD, the World Bank and the IMF, GATT, UNDP, the non-governmental and the private sector groups — these are all essential players in the development field, and what we decide here in September can provide the unifying context in which they can all play their important roles," Mr. Huslid feels. "It is not a blueprint we are looking for — there cannot be one for the entire continent anyway. What the United Nations can do is set goals and priorities and essentially it will be led in this by the Africans themselves."

United Nations

Ambassador Martin Huslid was elected Ad Hoc Committee Chairman at its first meeting. With him are UN Director-General Antoine Blanca (left) and Committee Secretary Joseph Acakpo-Satchivi.

To arrive at the needed consensus among member states, Ambassador Huslid will hold discussions with the various regional groups in the period between now and September, so that negotiations then begin with a rough notion of what is possible.

In this enterprise he will be assisted by the Bureau of the Ad Hoc Committee. At present this consists of two Vice Chairpersons, Trinidad and Tobago Ambassador to the UN, Dr. Marjorie Thorpe, and Pakistan Ambassador to the UN, Mr. Jamsheed Marker. A third Vice Chairperson remains to be elected. The rapporteur of the Committee is Mr. Ayité Kpakpo, Benin's Deputy Ambassador to the UN.

Secretary-General's report

The negotiations in the two-week session will principally revolve around a major report being prepared by the UN Secretary-General, which will assess the successes and failures of the UN Programme of Action for African Economic Recovery and Development (UNPAAERD) and at the same time propose avenues for future action. The Committee of the Whole will also have in front of it a similar report from the Organization of African Unity (OAU), based on the decisions taken at the UN Economic Commission for Africa (ECA) Conference of Ministers meeting in Addis Ababa in May (see page 1). Non-governmental organizations from both industrialized and African countries will also prepare assessments.

Ambassador Huslid is aware of the frustration felt in African countries that their strenuous reform efforts have not received the full backing of the donor countries. But in an interview with *Africa Recovery* in late April, and subsequently in an address he gave at the ECA Conference of Ministers meeting, he hoped the forthcoming session would not be an "accusatory" one in which participants try to find fault with one another. That could prove to be a rather sterile exercise.

"We need to look very honestly at the last five years to see what the major impediments were to the realization of goals decided upon by Africa and the international community in 1986," he asserted. "But the focus of these two weeks in September must be on the future, on what more needs to be done to revive economic and social growth in Africa."

Ambassador Huslid said the world recognized, better than in 1986, the severity of the crisis that continued to devastate Africa, and the need for special compensatory measures to offset its built-in disadvantages.

"The World Bank, UNDP and UNICEF, donor-country institutions, NGOs, all of them have graphically pointed out what the consequences will be if no special actions are taken to support Africa," he says. The challenge for the chairman will be to assist Africa and the international community in finding agreement on what these special measures should be.

The concerns of these parties are no secret: Africans want action from the donors on stabilizing commodity incomes

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AFRICA EMERGENCY OVERSHADOWED BY EVENTS ELSEWHERE

Slow famine relief imperils millions

Some 30 million Africans are threatened with "immense suffering and loss of life" if the international community does not respond quickly and massively to the continent's acute famine situation, UN Secretary-General Javier Pérez de Cuéllar warned in a special appeal for accelerated emergency assistance in May.

Some 4 million tonnes of food aid are needed to avert a calamity on the scale of the 1984-86 famines. Seventeen African countries are now facing exceptional food shortages, with the worst situations in Sudan, Ethiopia, Angola, Mozambique, Liberia and Somalia — all afflicted by civil strife. Several Sahelian countries have likewise experienced poor harvests due to drought.

Despite plentiful global stocks and numerous appeals, only 2.2 million tonnes, a little more than half the required emergency food aid, had been pledged by the end of April. Of the $110 mn in emergency non-food needs (basic medical care, nutritional supplements, clean water, etc.) only 15 per cent has been received.

The UN Secretary-General warned that, "the African emergency situation, overshadowed by events brought about by the situation between Iraq and Kuwait and in other regions, could mushroom into a massive human tragedy if not accorded adequate attention by the international community."

In **SUDAN**, talks in February between UN Under-Secretary-General James Jonah and Sudanese officials, who acknowledged the need for emergency drought aid, helped ease the dispute between donors and the government over the extent of the crisis and what to do about it. As a result, increased donations of food began arriving at Port Sudan. Because of ongoing warfare in the south and the difficulties of transporting food across combat lines into rebel-held territory — despite an earlier UN-negotiated agreement to allow such deliveries — food distribution in the south has been especially slow. In other parts of the country the long distances involved and the poor state of Sudan's transport network have been a major impediment.

UNHCR/B. Press

Emergency aid airlifted to Somalian refugees in Ethiopia's Hartishiek camp. Civil strife has been a major factor in Africa's food emergencies.

Northern **ETHIOPIA's** food situation, especially in Eritrea and Tigray, hit particularly hard by drought and escalating warfare, is deteriorating rapidly. The UN Food and Agriculture Organization reports that the food aid pipeline into Ethiopia is virtually exhausted.

In **SOMALIA**, the uncertain political and military situation in the wake of the January 1991 insurgent take-over has made precise assessments difficult. The UK's Save the Children Fund believes that some 500,000 people in the Somalian capital alone are in need of emergency help, while the UN's World Food Programme tentatively estimates the total affected population at around 2 million.

ANGOLA's UN-led relief programme was reactivated in March, following talks between Mr. Jonah and the Angolan government. The programme, which included the supply of emergency relief to rebel-held areas, had been suspended in December by the Angolan government, citing security considerations. With renewed agreement, the first four food convoys departed in late March, one of them from Namibia into rebel areas, to deliver food, seeds, medical supplies and agricultural equipment. With the programme back on track, the UN Secretary-General renewed his earlier appeal for $104 mn in aid. If the cease-fire agreed to in May between the Angolan government and the UNITA rebel forces holds, the prospects may improve for moving more food into the famine-threatened areas.

In **MOZAMBIQUE**, total food aid requirements may rise from the initial estimates, due to irregular rainfall and the resulting decline in marketed agricultural produce — on top of the loss of agricultural production resulting from the war. In drought-stricken Manica province, farmers are expected to market just one-quarter of last year's maize crop, and in Sofala, only one-sixth. ■

Africa's food aid requirements

		Affected population (millions)	Total food needs ('000 tonnes)	Food pledged ('000 tonnes)
All Africa		**29.7**	**4,047**	**2,205**
of which:	Angola	1.9	109	54
	Ethiopia	7.5	1,353	806
	Liberia[1]	1.4	224	90
	Mozambique	1.9	280[2]	130
	Somalia[3]	2.0	130	29
	Sudan	7.7	1,194	557

1. Includes Liberian refugees in neighbouring countries.
2. Emergency distribution only; additional 600,000 tonnes needed for subsidized sales.
3. Tentative estimate.
Source: World Food Programme

READEX FICHE

Hopes rise for deeper debt relief

By Roy Laishley

Improved debt relief could be offered to African countries by the middle of the year. Senior Western officials have confirmed good progress in efforts by leading government creditors to agree to a new package of measures in time for the Western Economic Summit, scheduled for mid-July in London. However, any new relief is likely to be limited to low-income countries only. And benefits could be quickly eroded in the face of a still worse economic climate for Africa this year, currently predicted by the International Monetary Fund (IMF) and UN.

At end-April, ministers meeting in the IMF/World Bank joint Development Committee in Washington, called on leading creditors to complete by mid-year their current review of the so-called Toronto terms, offered to low-income countries, and of new proposals for enhanced relief. Dutch Development Cooperation Minister Jan Pronk has called for the cancellation of all development debt of the least-developed countries. But the Paris Club of official creditors has focused more on the proposals made by UK Prime Minister John Major in Trinidad last September. The so-called Trinidad terms call for a two-thirds reduction in the stock of debt — as opposed to the one-third offered under Toronto — and a single rescheduling of the remaining debt at concessional rates over 25 years.

Discussions on Mr. Major's proposal have been slowed by negotiations on debt relief for Poland and Egypt. These have now been largely finalized, with Poland securing a 50 per cent reduction in its debt stock — with 60 per cent offered by France and 70 per cent by the US. A similar deal is expected to be finalized for Egypt at a Paris Club meeting scheduled for the second half of May.

Some creditor governments have stressed that the two countries should be seen as special cases and not as a precedent for other countries. France, however, insisted in Washington at the end-April meetings of finance ministers that other lower middle income countries, such as Cameroon and Côte d'Ivoire, equally deserved special treatment.

Western officials concede that Poland and Egypt will make the claims of other countries more difficult to resist; "How can you offer a 50 per cent reduction to Poland and still only offer poor African countries, one-third," one official asked. Another admitted that further debt relief "was no longer such a closed book."

The final package for the July summit, however, is still taking shape. Basic questions over the scope and cost of any new relief, are being raised by some creditors. Officials warn that both the depth of relief and the single rescheduling of remaining debt — which makes imposing conditionality more difficult, some creditors claim — could be modified. Lower middle-income countries could still face a tough battle to get better deals.

Many African officials have welcomed the Trinidad initiative as a "significant" step towards the more radical relief they argue is a priority. Benefits from Toronto total only some $100 mn to date. However, even the original proposal could fail to dramatically alter Africa's repayment burden in the face of worsening export prospects. Analysis carried out by the UN Conference on Trade and Development (UNCTAD) suggests that it would take export growth of 8 per cent a year to bring the debt service ratio of most low-income African countries down below a more manageable 20 per cent. At a more realistic 5 per cent growth in exports the ratio is closer to 25 per cent — and a lot higher still for many.

The IMF forecasts economic growth for Africa of 2 per cent this year after only 1.9 per cent in 1990. Even with faster growth in 1992 little progress will be made in alleviating poverty.

Even this may be optimistic. UNCTAD in its latest report on the least-developed countries says their already inadequate annual economic growth may be slowed by up to 1.25 per cent in the next few years as a result of the Gulf War. Oil prices may have fallen back — at some cost to recovery plans of exporters like Nigeria — but the period of higher prices has already hurt some adjustment programmes in Africa. The UK's Overseas Development Institute puts the cost to sub-Saharan Africa alone at over $1 bn.

Now, African countries are facing the consequences of a slowdown in the world economy, combined with a global credit crunch which threatens to reduce financial flows to all developing countries. The IMF is forecasting growth for Africa this year of only 2 per cent after 1.9 per cent in 1990. This compares with its prediction last October that Africa's economy would grow by around 3.2 per cent this year. Although an upturn to 4.8 per cent is predicted for 1992, the IMF concedes that little progress in alleviating poverty can be foreseen. In March, the UN estimated growth in Africa's gross national product (GNP) in 1991 at 2.9 per cent (its country coverage differs from that of the IMF, which does not include Egypt), down from 3 per cent in 1990, with a further fall to 2.5 per cent in 1992. The African Development Bank, however, in its latest *Africa Development Report* forecasts a growth of 3-3.5 per cent for 1991.

British Information Services

UK Prime Minister John Major. His proposal could be the basis of new debt relief.

The latest meeting of leading Western finance ministers in Washington did little to resolve differences over coordinating policies on lowering interest rates, which could help to re-stimulate growth in the global economy. Indeed, many officials and independent analysts have predicted that interest rates could rise as a result of the intensified competition for capital, with Eastern Europe and the Middle East, in the aftermath of the Gulf crisis, adding to more traditional demands from Africa and Latin America.

Recent aid pledges to Uganda ($850 mn) and to Zimbabwe ($700 mn) were up to expectations. But private flows and export credits to Africa still remain negligible and the chances of increasing aid allocations appear to be poor. According to World Bank Chief Economist Lawrence Summers, aid flows during the 1990s will amount to some $2 per capita, compared with $9 in the late 1970s. Ironically, greater debt relief, if offered, could make this even worse. Japanese officials have warned that more debt relief could lead to lower flows of new money. ■

ADB's expansion worries donors

The African Development Bank (ADB) made a net transfer of resources to members of some $1.2 bn in 1990, "greater than that of any other multilateral financial institution operating in Africa," ADB President Babacar Ndiaye told the 5-7 May annual meeting in Abidjan. Some donors, however, expressed concern that the Bank's rapid expansion — up nearly 50 per cent since 1988 — threatened its financial viability and lending quality. Total lending by the Bank group was a record $3.3 bn in 1990.

For their part, African ministers voiced deep disappointment at the level of resources pledged for the replenishment of the African Development Fund (ADF), the ADB's soft-loan facility. At a February meeting in Rome, 22 donors pledged 2.65 bn Fund units of account (FUA), the equivalent of some $3.34 bn, for the period 1991-93.

Donors claim that the increase on the previous replenishment of FUA2.25 bn represents a rise in real terms. African ministers insist, however, that in terms of the prices they have to pay for goods, the new ADF represented fewer resources at a time when demand for its funds was increasing. "It falls far short of the recognized needs, and the reasonable expectations, of ADF's target states," Nigeria's Finance Minister Alhaji Abubakar Alhaji told the annual meeting. His view was echoed by other finance ministers, including Uganda's Crispus Kiyonga. In 1990 new lending by the ADF topped $1 bn for the first time.

ADF disappoints some donors

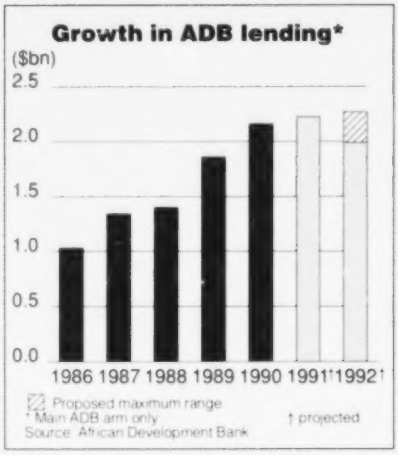
Some donors, such as France, also expressed their disappointment at the outcome. Three countries, Italy, the Netherlands and Norway, contributed a further $79 mn, "in support for the African people," as Norway's representative said. The extra pledges will be used to supplement the financing of social sector programmes.

Up to 65 per cent of the new ADF funds will be used for poverty alleviation. Donors also stressed the importance of human resource development and the environment. Alongside these, donors called for increased emphasis on economic performance in the criteria for allocating funds.

At the annual meeting, some donors expressed their concern over too-rapid expansion by trying to curb lending from the ADB itself. This rose 18 per cent in 1990 to $2.2 bn. Main ADB lending for 1991 is targeted at some $2.2 bn, but for 1992 some donors wanted a ceiling of $1.99 bn. Mr. Alhaji, arguing for lending to be maintained in real terms, urged that figures not be "cast in steel." In the end, it was agreed that lending would be in the range $1.99-2.27 bn. Lending needs for the 1992-96 operating period are to be assessed, as is the question of a further capital increase for the ADB.

In 1990 loans to public utilities took the largest share of group commitments, 27 per cent. This was followed by industry and agriculture, with 21 per cent each. Lending for structural adjustment, at 9.4 per cent, showed a sharp fall from 17.4 per cent in 1989.

West and North Africa again dominated the regional division of ADB group lending, accounting for 32 and 30 per cent respectively. Southern Africa increased its share dramatically to 16 per cent from just over 5 per cent in 1989. Again, some donors voiced concern over the narrow range of countries taking main ADB loans. Just five countries — Algeria, Côte d'Ivoire, Egypt, Nigeria and Zimbabwe — accounted for 58 per cent of 1990 main ADB lending. With an increasing number of African countries unable to make use of the ADB's main lending arm, which charges interest of just under 8 per cent, and a limited ADF replenishment, the Bank is looking into new ways in which it can "blend" ADB and ADF funds to avoid narrowing the scope of its lending. ■



Looking ahead at South Africa

The regional implications of post-apartheid South Africa are high on the agenda of a number of multilateral development institutions. Welcoming Namibia as the fifty-first regional member of the African Development Bank, President Babacar Ndiaye voiced the hope that by the Bank's 30th anniversary in 1994 all "states in the continent would be members." The World Bank has sent missions in recent months to South Africa, focusing initially on macroeconomic, education sector and urban issues. A Bank official said there was, as yet, no lending, project preparation, or permanent mission being set up, but the Bank was in contact with a broad spectrum of official and opposition groups in preparation for a post-apartheid South Africa. The European Community has also opened an office in South Africa.

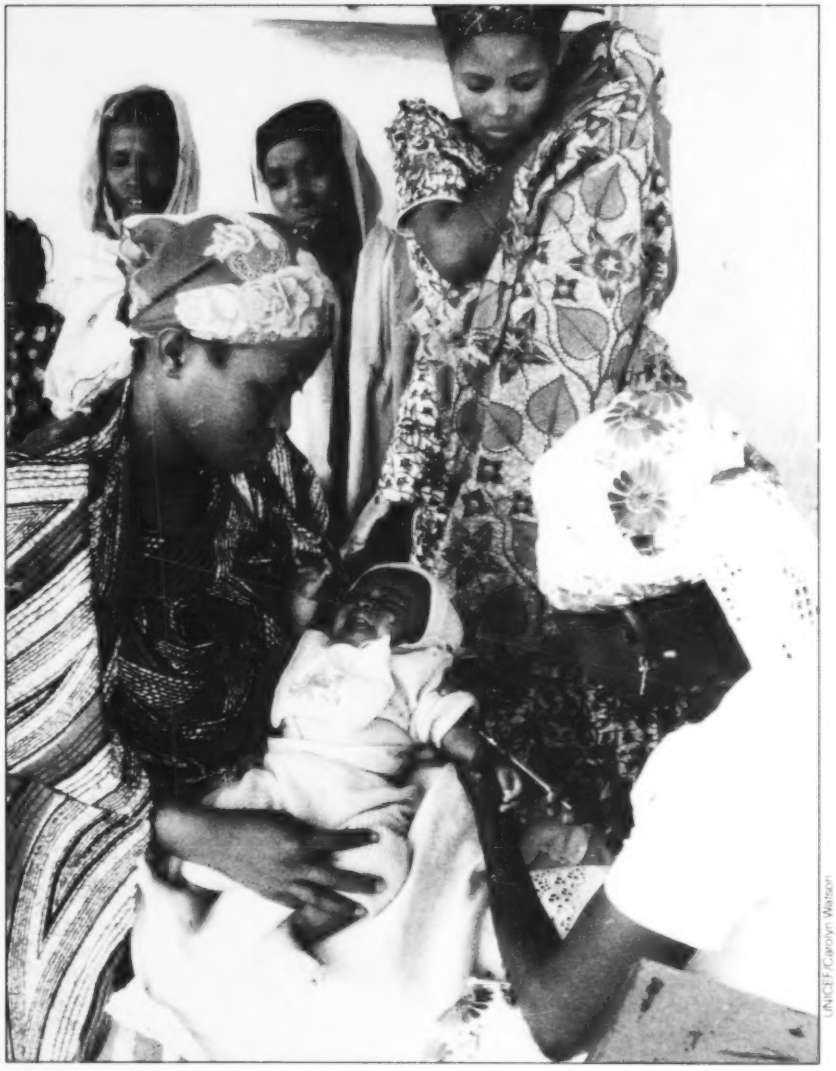
Given its own very immediate concerns, the Southern African Development Coordination Conference (SADCC) has set up a study group with representatives from South African liberation movements to assess the impact of the country joining SADCC. At its 31 January-1 February annual consultative conference with donors in Windhoek, Namibia, the African National Congress (ANC) and Pan-Africanist Congress (PAC) sat as full members of SADCC for the first time. However, donors informally expressed concern at SADCC confining discussions on a future South Africa to the liberation movements. "There are a lot more players, especially on the economic front, than just the ANC and PAC", said a senior Western financier.

While SADCC, in its final communiqué, called for the maintenance of international sanctions against South Africa, donors pointed out that, bilaterally, SADCC members are already exploring post-apartheid links. South African companies were prominent at Namibia's investors conference, held immediately after the SADCC meeting. Mozambique has held two investment conferences in South Africa, while Angola has discussed oil sales to South Africa.

Similarly, a recent Confederation of Zimbabwe Industries (CZI) conference, addressed by ministers, hosted South African business people. SADCC's Regional Business Council, which partly funded the CZI meeting, was thinking "of how we are going to do business with our colleagues in South Africa, and we are saying that the time to think is now," a Council official said. ■

HIGH INFECTION RATES AMONG AFRICAN WOMEN, CHILDREN

AIDS: a calamity in the making



UNICEF/Carolyn Watson

Child mortality rates may rise by 50 per cent during the 1990s, despite immunization campaigns, as AIDS in children threatens to overwhelm already hard-pressed health services in many African countries.

The spread of AIDS in Africa is mounting at an alarming rate and will exact a human toll of calamitous proportions if the disease is not checked, according to the most recent estimates of the World Health Organization (WHO).

Already, WHO says, there are nearly 6 million African adults who have been infected by the human immunodeficiency virus (HIV), of whom 800,000 have developed AIDS. Unlike in other regions of the world, women comprise nearly half of all those infected, leading to a high rate of transmittal of the disease to the newly born. Among infants and children there have already been 900,000 HIV infections and almost 500,000 AIDS cases.

Worldwide, there have been at least 8-10 million adults infected by HIV. Africa thus accounts for a sizeable majority of all cases. Projecting current trends to the year 2000, WHO estimates that the number of adult HIV infections will climb to 30 million globally, with most of the new infections in sub-Saharan Africa and in South and South east Asia.

Looking further ahead, to the year 2015, another new study paints an even more dire picture for Africa. According to the most recent issue of the US journal *AIDS & Society*, the International Research Office of the U.S. Census Bureau has estimated that some 70 million Africans could become infected with HIV, based on data from 36 sub-Saharan countries. This could bring the annual number of AIDS-related deaths to 4.6 million, and reduce the average life span in the urban centres by as much as 18 years.

According to WHO, in some urban centres of Central and East Africa, the region most stricken by AIDS, between one-quarter and one-third of all men and women aged 15-49 have already been infected. Their deaths may more than triple the adult mortality rate in those cities over the course of the 1990s, reducing the expected population growth rate by more than 30 per cent.

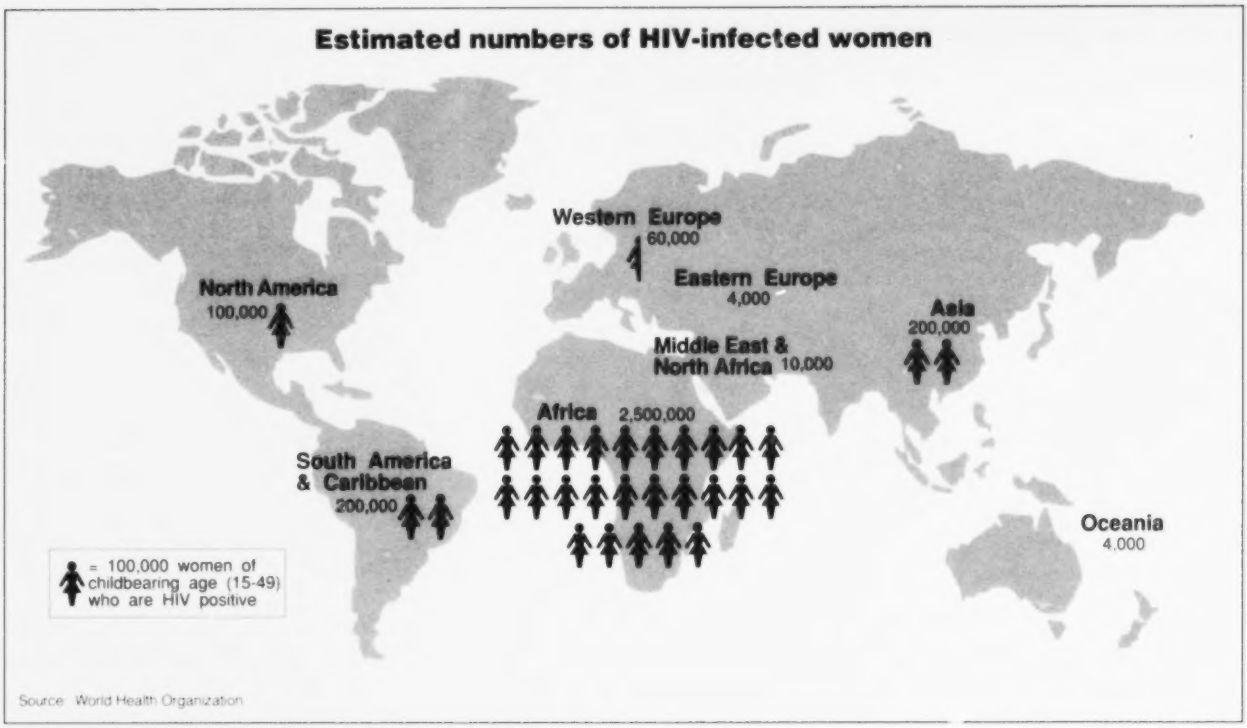
According to WHO's Dr. James Chin, "Adult AIDS cases and deaths could equal or exceed the expected number of deaths from all other causes in the most severely affected sub-Saharan cities by the early 1990s."

Among children — many of whom are born HIV-infected because their mothers have contracted the disease — the current infection levels may well increase tenfold by the end of the decade, to some 10 million. As a result, child mortality rates may rise as much as 50 per cent in much of sub-Saharan Africa during the 1990s, wiping out the gains in child survival that have been achieved over the past two decades. Another 10 million children may be orphaned by the deaths from AIDS of their mothers or both parents.

"This is a calamity whose dimensions are scarcely comprehensible," says the UN Children's Fund (UNICEF), in a recent report.*

Typically, AIDS runs a swift course in children, with nearly half of HIV-infected children dying before the age of two, and 80 per cent by the age of five. Detection is complicated by the fact that unlike AIDS-stricken adults, who display readily identifiable symptoms, children with AIDS suffer from the typical ailments of early childhood: chronic diarrhoea, fevers, loss of appetite and respiratory infection. The poor

*Children and AIDS: An Impending Calamity, *available from UNICEF, 3 UN Plaza, New York, NY 10017, USA; or Palais des Nations, CH-1211 Geneva 10, Switzerland.*



state of maternal and primary health care in most rural areas makes it all the more difficult to identify and treat the disease — insofar as treatment is possible.

The key to preventing an even more massive toll among children, UNICEF stresses, is to contain the spread of AIDS among women, since about one-quarter of all pregnant women who are HIV-positive pass the infection on to their new-born. But the current trends are alarming. In Uganda, there are more AIDS cases among women in their 20s than in all other age-groups combined. In Kampala, Uganda's capital, the known incidence of HIV-infection among pregnant women leaped from 14 per cent in 1986 to 24 per cent in 1989. In Kigali, Rwanda, it rose from 18.1 per cent to 30 per cent.

In Africa, 2,500 of every 100,000 women of childbearing age are HIV-infected, compared to 140 in North America, 70 in Western Europe and 30 in Asia.

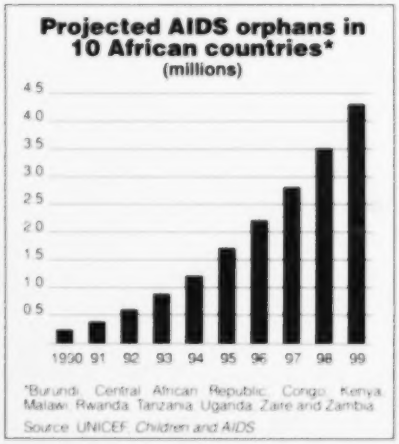
Women are vulnerable because frequently they lack power in determining their own sexual lives, condoms are unavailable or cost too much, and family planning and health and maternal care services reach few people outside the urban areas. Combating the spread of HIV-infection among women will require action in all these areas, says UNICEF.

With the expected deaths of several million women over the 1990s, the impact on family life and society as a whole will be severe. Many orphans will be taken in by other members of the extended family, but the large number of such children, will cause serious social strains. In addition, in an area where so many able-bodied adults (women and men) are destined to die within the next few years, the loss of these productive members of society will also mean lost income and reduced production. In AIDS-ravaged areas of Uganda, for example, less land is now utilized, the standards of cultivation have declined, and families have become more vulnerable to crop failure and food shortages.

Some of the most immediate strains are being felt in the health sector, both in terms of the loss of trained health professionals to AIDS and the additional burden that large numbers of AIDS cases have imposed. According to WHO, patients with AIDS now comprise 20-40 per cent of all in-patients in most large urban hospitals in Central and East Africa.

In addition, UNICEF notes, AIDS has spread in the developing world "at a time when many governments have been forced to cut social services as part of economic adjustment policies. In almost all African countries, debt and low prices for export commodities mean that there is not enough money to run regular services properly, let alone expand to meet the threat of AIDS effectively."

In the face of this daunting challenge, WHO has established a Global Programme on AIDS, backed by action from other donors, African governments and non-governmental organizations. UNICEF itself is devoting more resources toward developing responses to the crisis, including AIDS prevention education activities and the expansion of primary health care networks and child survival initiatives. Only a concerted global, regional and national response, says UNICEF, "can prevent millions of people becoming infected and save increasing numbers of women's and children's lives." ■



Africans demand a free press

By Salim Lone in Windhoek

The General Assembly of the United Nations has been urged to declare "censorship a grave violation of human rights."

Meeting in Namibia, a country whose media enjoys a freedom unmatched on the continent, senior African journalists and newspaper publishers adopted a "Windhoek Declaration" which demands an end to government control of the independent press. The declaration, adopted at a 29 April-3 May seminar organized by the UN, argues that "an independent, pluralistic and free press" is indispensable to both the growth of democracy and economic development. All international funding support should go towards the development of independent newspapers, magazines and periodicals in order to encourage and consolidate the press freedoms being currently won, participants said. "Public media should be funded only where authorities guarantee a constitutional and effective freedom of information and expression," said their declaration.

The Seminar on Promoting an Independent and Pluralistic African Press was organized jointly by the UN's Department of Public Information and UNESCO, in cooperation with the UN Development Programme's Africa Bureau. The International Federation of Journalists and the International Press Institute also participated in the planning and organization of the seminar, and Canada, Finland, the Netherlands, Norway, Sweden and the German Friedrich Ebert Foundation contributed to its financing.

Speaker after speaker at the seminar hailed the wave of democracy that was sweeping the continent and the role courageous journalists were playing in its support. "The independent press is at the heart of the drive for democratization," said Pius Njawe, the editor of *Le Messager* in Cameroon, who was arrested in January and whose presence at the seminar was facilitated by the seminar organizers.

Democracy needs a free press

But journalists warned that any present democratic gains could only be sustained if a free press became an accepted part of political life. "In many African countries today," said the final Declaration, "journalists, editors and publishers are victims of repression — they are murdered, arrested, detained or censored, and are restricted by economic and political pressures such as restrictions on newsprint and restrictive licensing requirements."

Tom Murray/The Namibian

Senior African journalists and publishers, attending the UN seminar on a pluralistic press, called for an end to government controls in their Windhoek Declaration.

The participants asked the UN system to help in establishing mechanisms to monitor attacks on press freedom. They hailed the great strides the West African Journalists Association had made in this regard with assistance from the Ford Foundation.

The participants asked for immediate freedom for 17 journalists known to be in custody in the Central African Republic, Kenya, Rwanda, Sudan and Tunisia. They also sent an urgent message to the UN Secretary-General asking him to press for the release of Gitobu Imanyara, a Kenyan editor, in view of his ill health.

Journalists warned that current gains in democratic freedoms could only be sustained if a free press became an accepted part of African political life.

There was general agreement that the surest way to enlarge and preserve press freedom was through the establishment of independent, representative trade unions of journalists, and associations of editors and publishers; through international support for journalistic and management training; and the acquisition of the technology that has revolutionized newspaper printing.

The seminar was opened by Namibia's Prime Minister Hage Geingob, who called upon the African press to become an instrument of change — in informing the public and in enhancing communication between elected leaders and the population. The often critical Namibian press was a testament, he said, of his government's conviction that a free press was essential to political and economic evolution.

The UN view

Madame Thérèse P. Sévigny, UN Under-Secretary-General for Public Information, pointed out the intrinsic connection between the wave of democratization now under way and the revolution in communications. "All over the world, regardless of political, cultural or economic circumstances, people are drawing inspiration from each other and asserting themselves in the concerns that directly touched their lives," she said. "Information has never been more crucial to democracy than it is today."

Since last year, Mrs. Sévigny continued, in both the UNESCO General Conference and the UN General Assembly, the international community had been able to move away from politicized debate on the information sector into an era of practical action on strengthening the different cultural identities through development of their information infrastructure.

"At the UN, officials from developing countries had often expressed the fear that the foreign media would undermine the distinctiveness of their cultures," she said. "But as several speakers in the [General Assembly] recently pointed out, the question might be asked whether in the past these fears haven't been used also as a pretext to

suppress a free flow of information." She felt certain that freedom of information and expression now had a chance to become the prevailing component of life everywhere in the 1990s.

Mr. Henrikas Yashkiavitshus, Assistant Director-General for Communications at UNESCO, in detailing his organization's new strategy, emphasized its commitment to the free flow of information and ideas, to the development of independent and pluralistic media in both the private and public sectors, and to the strengthening of communication capacities in developing countries. He expressed UNESCO's readiness to assist, through its International Programme for the Development of Communication (IPDC), in the priority areas identified by the seminar.

Mr. Jan Nouwen, President of the International Federation of Publishers (FIEJ), emphasized the importance of a financially sound press to ensure that it could resist outside pressures. He also paid tribute to the new communications policies of the UN and UNESCO, with whom FIEJ had strained relations in the past. These new policies, especially as so clearly enunciated in the Windhoek Declaration, are also expected to heal relations with states like the United States and the United Kingdom, who pulled out of UNESCO in a dispute involving the free flow of information. The International Federation of Journalists' President, Mrs. Mia Doornaert, emphasized that press freedoms would best be assured through recognizing the right of journalists to form independent professional associations, and through the development of a quality press with well-trained and well-paid journalists.

African press weaknesses

The keynote speech by Hilary Ng'weno, editor of the Nairobi-based *Weekly Review*, was read on his behalf by Stephen Mwenesi of the African Centre for Communication and Development. He pointed out the African press's weaknesses: scarce capital; a limited readership, based primarily in urban areas; communications, marketing and advertizing difficulties; and a frequent lack of professionalism. He also warned of the ready tendency of the African press to follow foreign models.

Mr. Ng'weno was criticized for not having pointed out government actions limiting press freedom in his country, but nevertheless, some concerns he raised were echoed by other speakers. Mr. Sam Amuka, of Nigeria's *Vanguard*, picking up on the need for Africa's press to guard against the undiluted perceptions of Western media, observed that Nigerian newspapers had

UN photo J. Isaac

Mrs. Thérèse P. Sévigny, UN Under-Secretary-General for Public Information. Addressing the seminar, she pointed to the intrinsic connection between the current wave of democratization and the communications revolution.

reported the Gulf War primarily from round-the-clock coverage provided by the American Cable News Network (CNN). Nigerians were therefore exposed to highly biased coverage reflecting US interests, he argued. Others pointed to the virtually verbatim reproduction of text from foreign news sources such as the wire services.

One of the major themes of the plenary discussions was the need to create independent information structures. Many of the seminar participants had been jailed for challenging government restrictions on reporting. The debate, therefore, reflected strong hostility towards any government control over the independent press. Indeed, a number of participants berated the seminar organizers for having invited some journalists from state-affiliated media.

Professor Paul Ansah, from Ghana, reflected a minority view when he asserted that within the context of a free and pluralistic national media, governments also had a role to play. He also warned that while governments could be unseated, monopolistic media giants were totally outside public control and might not always represent the interests of the whole nation.

Participants' concerns for capital, and training and technology, were a major theme in Windhoek. Many pointed out that most African governments were not keen to direct resources towards strengthening a pluralistic press. Many journalists therefore appealed to the UN and other international groups to find ways to support them.

A UN speaker warned, however, that it was dangerous to rely on aid from international sources, not only because it was increasingly difficult to marshall resources for Africa, but also because it came with strings attached. He felt that only domestic sources of capital, including investors as well as institutions such as trade unions, churches and cooperatives, could form the press' long-term financial base. ■

Priority initiatives for Africa's press

The overall goal of the conference was to emphasize the need for a political climate in which an independent press could flourish, and to come up with a concrete catalogue of projects designed to strengthen the independent press on which collaborative action could be immediately taken. Such projects were the subject of considerable discussion in numerous working groups, focusing not only on finance but on the training, technology and professional associations needed to protect and enhance press freedoms. Among the agreed priorities considered to be deserving of international support were:

- Development of cooperation between African newspapers: to aid them in the mutual exchanges of their publications and of journalists and to organize on their behalf training courses and study trips.
- Creation of separate, independent national unions for publishers, editors and journalists.
- Financing of a feasibility study for the establishment of an independent press assistance foundation and for identifying sources of capital funds for the foundation.
- Financing of a study on the readership of independent newspapers in order to promote advertising sales.
- Financing of a feasibility study for the creation of a central board for the purchase of newsprint and the establishment of such a board.
- Establishing structures to monitor attacks on freedom of the press and the independence of journalists following the example of the West African Journalists' Association.

KAMPALA

from page 1

Economic Commission for Africa (ECA), Mr. Salim Salim and Mr. Adebayo Adedeji. The 700 participants included five African heads of state and three others who relinquished power either voluntarily or through a democratic process.

"This is easily the most comprehensive initiative to emerge from Africa in recent history," Mr. Adedeji told *Africa Recovery*. "Hitherto, discussion on the possible collective role of the continent on the issues of security, stability and democratization within each African country has been taboo, despite our glaring weaknesses in these areas."

Margaret Novicki

Organization of African Unity Secretary-General Salim Salim: "It is pitiful, pathetic and agonizing for Africa to watch helplessly as anarchy claims the lives of thousands of our people."

Margaret Novicki

General Olusegun Obasanjo, the former Nigerian head of state, who was the prime organizer of the initiative. " Africa remains fragmented and drifting, in danger of being completely marginalized."

Limited tenure for leaders

Other notable recommendations from Kampala that the OAU Abuja summit will be considering include limits to the tenure of elected political leaders, and a commitment by each African state to the rule of law, political pluralism, popular participation in governance and protection of human rights. Each state would also be asked to sign non-aggression pacts with all its neighbours. Regular, independent assessments of how each country is living up to such commitments should be carried out, the Kampala conference suggested.

The proposals make it clear that security and stability in Africa cannot be seen only in a military or police sense. "They must be construed in terms of the security of the individual to live in peace, with access to basic necessities of economic life as well as the enjoyment of full democratic and human rights," says the document produced at the end of the conference. "It is the absence of such rights, as well as the precedence given to military expenditures, that is the root cause of insecurity and instability in Africa."

It is important for Africa to realize that it exists in a world in which only strength counts, and not one which operates on morality. For Africa to be heard, it must be strong.

General Olusegun Obasanjo

The political reforms being proposed must be seen as an integral part of the steps needed to ensure the renewal of economic development in Africa, conference participants declared. The Kampala document gave its strong backing to the draft treaty for an African Economic Community in its extensive recommendations on how to revive economic growth on the continent (details page 12).

The Kampala proposals, and the equally far-reaching draft economic treaty, come as the continent continues to grapple with an economic crisis seemingly impervious to the widespread economic reforms already undertaken. Africa is also under severe pressure from an increasingly difficult international environment in both the political and economic arenas.

"While the world is grouping into blocs to strengthen national economies, Africa remains fragmented and drifting, and is therefore in danger of being completely marginalized," said Gen. Obasanjo. Mr. Salim added that it was now "evident that Africa cannot continue without a clear direction or clear perception of her security. It is pitiful, pathetic and agonizing for the OAU to watch helplessly as anarchy claims the lives of thousands of our civilians."

For Mr. Adedeji, the Kampala proposals reflect "the now-generally accepted realization that the African crisis is basically political in nature, with serious economic and social consequences." The ECA was the first United Nations-affiliated body which, in its 1989 African Alternative Framework to Structural Adjustment Programmes, publicly linked the continent's economic woes to a "pervasive lack of democracy, " followed by its February 1990 conference on popular participation held in Arusha, Tanzania.

The most notable aspect of the Kampala Declaration comes in its call for a re-examination of the OAU's long-standing commitment never to interfere in the internal affairs of member states except when invited. "The concept of sovereignty has made it difficult for African organizations to intervene to resolve internal strife peacefully," said participants in one of the international brain-storming sessions held in formulating the security initiative. "For peace-keeping and peace-making to be effective, there will be a need for African governments to surrender some degree of sovereignty to a sub-regional or regional body," one such session concluded.

At that session General Obasanjo said it was important for Africa to realize that "it existed in a world in which only strength counted, and not one which operated on morality. For Africa to be heard, it must be strong."

The new recommendations on security aim to prevent conflicts and disputes from escalating into armed hostilities, by strengthening the OAU Commission on Mediation, Conciliation and Arbitration. But for situations which cannot be resolved through the Commission, the Kampala Document proposes that Africa establish a "peace-keeping machinery," including a military force, as an important instrument for the preservation of peace in instances which threaten the security of African states. The criteria for authorizing and deploying

Financial Times

Nigerian President Ibrahim Babangida, who as chairman of the OAU, will be responsible for overseeing radical new political and economic initiatives for Africa.

troops should be carefully negotiated by member states, keeping in mind the "limited experiences of Africa and cumulative lessons of UN operations, and taking measures that would avoid [previous] mistakes" — a reference to the problems faced by West African ECOMOG forces in peace-keeping operations in Liberia.

Africa Peace Council

The Kampala proposals include the establishment of an Africa Peace Council under the OAU framework, composed of distinguished personalities and elder statesmen. This Council would be "empowered to effect a measure of intervention in national security problems of member states, [be it] mediation or the deployment of peace-keeping operations."

The proposed provisions on stability are equally far-reaching. All member states would have to accept, through their adherence to the OAU, the following principles:

- **Adherence to the rule of law legislated by freely elected representatives.**
- **Popular participation in governance.**
- **Respect for human rights and fundamental freedoms.**
- **Existence of plural political structures (though not necessarily through a multi-party system) and freedom of expression.**
- **The establishment of an African Court of Justice on Human Rights.**
- **Monitoring of observance of the above and other legal commitments.**

The last would require an expansion of the OAU Charter and of its Commission on Human and Peoples' Rights to include an annual assessment of human rights records of each African country.

The Kampala SSDCA proposals reflect the conviction that Africa cannot make any significant progress on people-based development "without creating collectively a lasting solution to its problems of security and stability." Such development could only be brought about on the basis of self-reliance, which in turn meant that "economic integration is a *sine qua non* to Africa's economic survival in the 21st century." Both the political and economic transformation envisaged in Kampala cannot be achieved "without the full involvement of women in decision-making processes, and their full access to all factors of production (land, labour, capital)."

The Declaration reaffirms the need for African countries to adopt liberal economic policies that will attract capital, and urges that the first option in privatization efforts be given to indigenous entrepreneurs.

If the Kampala proposals are accepted, the SSDCA process will begin with the launching of negotiations to adopt a convention that will be binding upon all OAU member states. A Consultative Committee and a Secretariat would be established to help the negotiating process.

Mr. Adedeji called the SSDCA process an "irreversible one which will yield profound change in Africa." The presence in Kampala of Presidents Yoweri Museveni, Kenneth Kaunda (Zambia), Quett Masire (Botswana), Omar Bashir (Sudan) and Joaquim Chissano (Mozambique), and former heads of state Julius Nyerere (Tanzania), Aristides Pereira (Cape Verde) and Olusegun Obasanjo (Nigeria) is indicative of the widespread support for this initiative in Africa. Many observers are nevertheless sceptical about the prospects for the proposals' implementation in the near-future, but they acknowledge that a critical step forward has been taken in regard to issues which hitherto had been considered as being the concern solely of individual member states. ■

Africa battles marginalization, financial squeeze

The theme of Kampala and the draft treaty for an African economic community reflect Africa's growing determination to deal itself with its complex, deep-seated problems and are rooted in a new sense of realism about the limits of external support. But they are also intended to reassert the continent's place in the world mainstream. This will not be an easy task, as world events leave little doubt that Africa is being pushed to the margins of international concern.

One cause of the continent's marginalization is international disenchantment with the widespread violence and chaos in a growing number of African countries. But more important is the preoccupation of the industrialized countries, on which Africa has a crippling dependence, with the more "strategic" regions such as the Middle East, Eastern Europe and the Soviet Union.

Africa was not really surprised, therefore, when the Paris Club agreed to provide its best-ever terms of debt relief to Poland and Egypt, two countries of strategic concern to the West, rather than to the poorest countries of Africa.

Finance, in fact, is a principal African concern, but it is going to flow strongly towards the regions mentioned above. For example:

- Eastern Europe [excluding the Soviet Union], obtained pledges for 1991 of $23 bn from the Western countries and $10 bn from the World Bank and the International Monetary Fund. These figures are for official assistance only and do not include private sector flows.
- According to the World Food Council in Rome, the expected annual Western disbursements of grant aid alone to the five major Eastern European countries [not including the former East Germany] will have risen to about $35 per capita in 1994. At the same time, according to the World Bank's new Chief Economist, Mr. Laurence Summers, aid to developing countries from the World Bank group would fall in the 1990-95 period to $2 per year per capita, from $9 in the period 1975-80.
- A study by the US financial firm of Morgan Stanley paints an even gloomier picture about long-term availability of funds for Africa: the growing demand for capital from the Soviet Union, Eastern Europe, Middle East reconstruction and Latin America will, in a few years, exceed supply by more than $200 bn a year, and in the process raise already high real interest rates. In 1991, resource flows from the West are expected to total $80 bn for the former East Germany, $55 bn for Eastern Europe and $10 bn for Latin America. Morgan Stanley did not even compute the flows to Africa.

OAU TO ADOPT TREATY ON ECONOMIC INTEGRATION

Africa seeks economic unity

By Ernest Harsch

Amidst a deep and persistent economic crisis, Africa will take a major step towards its long-cherished goal of unifying the continent's fragmented and vulnerable national economies into a single, more powerful economic bloc at this year's Organization of African Unity (OAU) summit from 3-5 June in Abuja, Nigeria, with the adoption of a new treaty establishing a timetable toward the creation of an African Economic Community by the year 2025.

This "historic undertaking," as OAU Secretary-General Salim Salim termed it, is seen as vital for Africa's economic survival, in the face of its economic crisis and growing marginalization in world affairs.

African leaders acknowledge that achieving economic integration will be a difficult endeavour requiring coordinated action on numerous fronts and a firm determination by African countries to maintain the momentum. After the OAU summit, Mr. Salim, African Development Bank President Babacar Ndiaye and UN Economic Commission for Africa (ECA) Executive Secretary Adebayo Adedeji were to meet in Zanzibar to discuss follow-up strategies for ensuring the treaty's implementation.

The stakes are high, notes Mr. Adedeji. "I think there is a realization on the part of each government that this is something that must not be allowed to fail. If it fails, the crisis in Africa will deepen. No African country, no matter how big it is, can really go it alone in the world we are entering in the 1990s. The economic integration of Africa is part of the solution to the crisis of Africa."

Ghana Ministry of Information

The Akosombo dam on Ghana's Volta River, which also supplies electricity to neighbouring countries such as Togo and Côte d'Ivoire. Regional cooperation in energy and other sectors is vital for African industrial development.

According to the draft treaty, adopted at a 27 February meeting of the OAU Council of Ministers, greater intra-African cooperation will make it possible for Africa to "achieve self-reliant development" and to "raise the standard of living of its peoples, and maintain and enhance economic stability."

For Mr. Salim, "perhaps the greatest assurance of Africa's security would be for the continent to seek a radical departure from the traditional economic links with the outside world and forge instead, the kind of relations which would emphasize more the imperative of our own collective self-reliance than charity."

The process toward greater cooperation on economic issues has a directly political dimension. Senegalese President Abdou Diouf, noting that Africa's efforts must be joined at both the economic and political levels, has stressed that "it is necessary to create African common markets, to accept limitations on sovereignty and to achieve a political federation."

Work is already beginning on the drafting of a special protocol to establish an elected pan-African parliament, projected as one of the key institutions of the African Economic Community once it is fully set up.

The fact that the existing General

Timetable towards unity

The process of establishing the African Economic Community will begin within 30 days of the treaty's ratification by two-thirds of the OAU member states. The process is to unfold over a period of 34 years, at most, passing through six stages:

1. Strengthening existing **regional economic communities** and establishing new ones. **5 years**

2. Stabilizing tariffs, customs duties and other barriers to **intra-community trade**; strengthening **sectoral integration** (in trade, agriculture, finance, industry, transport, etc.); coordinating and harmonizing activities of the regional communities. **8 years**

3. Setting up **free trade areas** within each regional community through removal of trade barriers and establishment of customs unions. **10 years**

4. Establishing an **Africa-wide customs union**, with a common external tariff, by harmonizing regional tariff and non-tariff systems. **2 years**

5. Establishing an **African Common Market**, through, among other steps, the adoption of common policies in agriculture, transport, industry and other sectors; the harmonization of monetary, financial and fiscal policies; and the application of the principle of the free movement of people and right of residence. **4 years**

6. Finalizing the **African Economic Community** through the consolidation of the common market structure; the establishment of an African Monetary Union, African Central Bank and single African currency; and creation of a pan-African Parliament, elected by continental universal suffrage. **5 years**

Secretariat of the OAU will also be the Secretariat of the Economic Community is another reflection of the growing convergence between Africa's economic and political efforts. Previously, the OAU tended to focus primarily on political issues, while economic questions were dealt with by other bodies, such as the ECA. Nevertheless, over the past decade the OAU has also become increasingly preoccupied with Africa's mounting debt burden and other economic problems.

With the formation of the Community, "there can't be two parallel organizations," says Mr. Fausein Kinuma, head of the OAU's Cooperation Division in Addis Ababa. A "restructured and revamped" OAU will take directly on board such crucial issues as economic integration, a further shift, he says, that has been facilitated by the virtual completion of the decolonization process in Africa and the strong possibilities for an end to South Africa's apartheid system, two key political issues that have preoccupied the OAU since its founding in 1963.

Although the draft treaty makes no specific reference to South Africa, Mr. Kinuma points out that the country, once apartheid has been eliminated, could be admitted as an OAU member. This would be beneficial to the future African Economic Community, he argues, since South Africa has a strong economy that may serve as a "catalyst" in the continent's economic development.

Regional 'pillars'

Taking into account the very real difficulties of African economic integration — including established economic structures that are oriented more towards trade and other economic interactions with the developed countries than with other African economies — the draft treaty foresees the creation of the African Economic Community as a gradual undertaking, through a series of six interlinking stages (see box, page 12).

This process will start with efforts to strengthen existing regional economic groupings, which Mr. Kinuma describes as the "pillars" of the new Community. Studies into how this can best be done are now being prepared or commissioned by the OAU and other African institutions, such as the ECA and the African Development Bank.

"The first concern is to make the existing regional organizations work as they were intended to work," comments Guy Martin of the New York-based International Peace Academy, who has done work on African regional integration issues. Thus far, he says, the progress of these groupings has been "sluggish."

According to the treaty, the integration process will advance first within the regional communities and then between them, including such steps as phasing out barriers to intra-African trade; coordinating industrial, transport, agricultural and other development efforts; harmonizing financial and fiscal policies; and reducing restrictions on the movement of people and capital. An African Common Market will be set up, leading, at the final stage of the process, to the establishment of the Community, which will include a monetary union, central bank and a single African currency.

To avoid taking on too much at once, and thus jeopardizing the prospects for a real take-off, Mr. Adedeji has suggested that the integration process begin in a few selected areas. He cited the example of the Union of the Arab Maghreb, which chose to focus initially on cooperation in food production and trade, so as to advance towards food self-sufficiency, as well as on intra-Maghreb trade more generally.

Promoting intra-African trade

One of the clearest reflections of Africa's economic weakness is the small size of most domestic markets and the low volume of trade among them. The division of Africa into some 50 states, almost half of them with less than 5 million people, means that the continent's economy is fragmented. This has intensified Africa's dependence on external markets and suppliers, with foreign trade equivalent to more than half of the continent's total gross domestic product (Latin America's foreign trade is just a quarter of its GDP).

Typically, about 85 per cent of the continent's total exports are marketed in the industrialized countries of the North (compared to 75 per cent for Latin America and 68 per cent for South and East Asia). A very small fraction of officially recorded African exports, ranging between 3 and 6 per cent (see graph), goes to other African countries. The picture is little better within the established regional economic groupings. As of 1988, intra-community trade among ECOWAS members was only 4.9 per cent of their total exports. The equivalent figure for the CEAO was 10.5 per cent, for UDEAC 3.6 per cent, and for CEPGL 0.7 per cent. Although still low as a share of total exports, trade within these groupings has nevertheless increased modestly since the early 1960s, when it was negligible.

The draft treaty calls for the liberalization of intra-African trade, first within the

continued on page 32

Major regional groupings

CEAO—Communauté économique de l'Afrique de l'Ouest — Benin, Burkina Faso, Côte d'Ivoire, Mali, Mauritania, Niger, Senegal.

CEPGL—Communauté économique des pays des Grands Lacs — Burundi, Rwanda, Zaire.

ECOWAS—Economic Community of West African States — Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo.

PTA—Preferential Trade Area for Eastern and Southern Africa — Angola, Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Rwanda, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe.

SADCC—Southern African Development Coordination Conference — Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia Swaziland, Tanzania, Zambia, Zimbabwe.

UAM—Union of the Arab Maghreb — Algeria, Libya, Mauritania, Morocco, Tunisia.

UDEAC—Union douanière et économique de l'Afrique centrale — Cameroon, Central African Republic, Chad, Equatorial Guinea, Gabon.

Ghana: devaluation brings little gain

Ghana has been hailed in recent years as a model of successful structural adjustment. Since 1983, the government has tried to transform the economic environment with wide-ranging reforms. The results, however, have been mixed. While exports have risen and gross domestic product has grown by more than 4 per cent a year, roughly half the population lives in absolute poverty. The International Monetary Fund describes the economy as "fragile", and the World Bank says Ghana is still in crucial need of high levels of concessional external financing. Devaluation has been central to the reform programme, but its expected benefits have been eroded by Ghana's worsening terms of trade and other constraints linked to adjustment. Ghana's experience with devaluation suggests that changing real prices must go hand in hand with other policies which promote structural development.

By Adotey Bing

When the Provisional National Defence Council (PNDC) came to power in December 1981, Ghana had just recorded the biggest trade and current account deficits in its history. Individual incomes had fallen 30 per cent between 1970 and 1982, imports had fallen in volume by one-third, while export earnings were down more than half.

Margaret Novicki

Pineapples are one of the non-traditional exports the government has tried to encourage.

The new government saw its immediate task as stabilizing the economy, before attempting to restore growth and development. With strong encouragement from the World Bank and the International Monetary Fund (IMF), devaluation of the cedi was made a central instrument of an Economic Recovery Programme (ERP) launched in 1983.

There followed a drastic series of devaluations, aimed at setting up a "self-administered, floating exchange rate." In only 27 months, from October 1983 to January 1986, the cedi was devalued in downward leaps by 96.9 per cent in dollar terms, moving from C2.75 to C90 for one dollar. Since September 1986, the pace of devaluation has been influenced more directly by market forces, through foreign exchange auctions, and later also through licensed foreign exchange bureaux. By April 1991, the cedi had depreciated further, past C360 to the dollar.

Devaluation, by realigning domestic prices to international prices so as to make imports more expensive and increase cedi earnings on exports, was firstly aimed at transforming Ghana's balance of trade. By encouraging 'expenditure-switching' — into new export lines and into competitive import-substitutes — devaluation was also expected to help diversify Ghana's economy and make it more competitive.

Devaluation was, therefore, a crucial part of the structural adjustment reforms required to influence production decisions in a new economic environment. Other fundamental parts of the programme were the contraction of state activities and expenditure, and commensurate encouragement of the private sector and market forces. The government duly lifted nearly all price controls in 1984, and pushed towards full trade liberalization, and the restructuring of the public and financial sectors.

Internal prices and production

Devaluation's goal of boosting exports was successful, as cedi export revenues rose faster than local production costs. This was particularly true for Ghana's export mainstay, cocoa, which accounts for over 60 per cent of export receipts. Devaluation enabled the government to raise the cocoa producer price substantially, from C12,000 per tonne in 1982/83 to C224,000 in the 1990/91 season. The positive supply response saw cocoa output moving from 159,000 tonnes in 1983/84 to 300,000 tonnes in 1988/89, its highest level since 1977.

Devaluation also improved operating margins in the gold sector, and exports rose from 289,000 ounces to 410,000 ounces between 1984 and 1988. The restored profitability of gold mining, underpinned by new mining legislation in 1986, has resulted in an upsurge of new investment, partly by the major producer, Ashanti Goldfields Corporation, and especially by new ventures involving foreign interests. Total gold output is now expected to rise within the next few years towards 900,000 ounces a year, to levels unmatched since 1960.

Timber, another major export earner, also progressed, with output rising from 147,000 cubic metres to 413,000 cubic metres between 1984 and 1987. However, rapid deforestation has aroused increasing concern.

Devaluation also helped to stimulate "non-traditional" exports, such as pineapples, kola nuts, and semi-processed goods. The Ghana Export Promotion Council is hoping that non-traditional exports will soon account for 15 per cent of total export earnings, a substantial rise from current levels of around 5 per cent.

For devaluation to succeed in sustaining its impact on domestic prices and investment decisions, exchange rate adjustments after the initial devaluation should reflect

Adotey Bing is a writer on African economic and political affairs.

changes in domestic and international inflation. Since 1986, the average annual rate of cedi depreciation has generally kept pace with the net movement of internal and external prices of goods and of the dollar, but without producing the same level of response in the Ghanaian economy. Among the reasons are Ghana's worsening terms of trade, alongside internal constraints linked to other adjustment policies.

For example, inflation was reduced from the triple digits of 1982-83, but actual targets have almost never been met. The pursuit of lower inflation nevertheless required policies which curbed demand, affecting those least able to withstand the pain. Such policies included a sharp reduction in government spending to eliminate fiscal deficits, and reduce demand for government goods and services. Although after 1986, the government was unable to hold down the level of real wages, overall spending cuts have had a major, adverse impact on jobs and real incomes, as well as on production, investment and consumption.

External prices and earnings

Stimulated by the shift in relative prices, the share of exports in Ghana's expanding GDP rose from 2.4 per cent in 1983 to 19.6 per cent in 1988. But the expected benefits were severely eroded by falling prices in world commodity markets. For while Ghana was busy increasing its output, world cocoa prices were plunging to their lowest levels ever in real terms, while gold prices also weakened considerably in the later 1980s. Between 1986-89 cocoa prices fell by a cumulative 48 per cent, and Ghana's loss on potential earnings totalled some $300 mn in 1988-89. At the same time imports were rising, in volume as well as in terms of their dollar and cedi values. The World Bank calculates that Ghana's terms of trade deteriorated by 30 per cent in the 1987-1990 period alone.

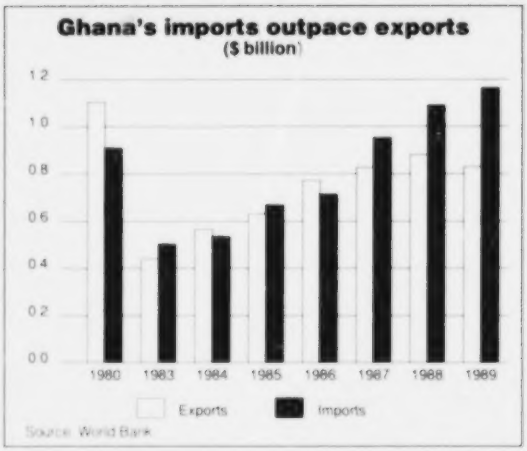
Ghana at a glance: 1989

Population:	14.6 million
Population growth rate:	3.1%
GNP per capita:	$390
Currency:	Cedi (C270=US$1)
Gross domestic product:	C1421.07 bn ($5.2 bn)
of which: agriculture	48.9%
manufacturing	10.5%
Total external debt:	$3.1 bn
Debt service ratio:	49.2%
Life expectancy at birth:	55 years
Infant mortality rate:	87 per 1,000 births
Adult literacy rate:	*53%

Sources: UN Fund for Population Activities, International Monetary Fund, World Bank, UNICEF
* 1985

Among the reasons for the failure of devaluation to brake import growth were the aid-funded inputs for rehabilitation of production for export. But the failure also reflected Ghana's heavy-import dependence.

The result was disappointing figures for Ghana's balance of trade. While exports rose in dollar value by 55 per cent between 1984 and 1988, imports rose by 104 per cent. Apart from modest surpluses in 1984 and 1986, the trade deficit deepened from $60.6 mn in 1983 to $334 mn in 1989.



While Ghana managed to declare an overall surplus in its balance of payments since 1987, this has been due to the high net inflows of foreign aid — annual pledging sessions organized by the World Bank since 1983 raised average commitments of $740 mn in 1987-1989 — rather than the net benefits of devaluation.

These inflows have been vital in helping Ghana service its international debts, aided by debt cancellations amounting to over $425 mn in 1989 and at least $87.5 mn in 1990. Nevertheless, the debt-service ratio of 15 per cent in 1982, rose to a peak of 56 per cent in 1988, and was a still onerous 49.2 per cent in 1989. Out of a total debt of $3 bn (up from $1.1 bn in 1981), Ghana owes more than $700 mn to the IMF, which cannot be rescheduled, and the repayment burden therefore remains heavy despite all the recent sacrifices. By 1990 the government was able to eliminate arrears on debt payments which stood at $600 mn in 1983. But this policy of attaining international creditworthiness — made possible by devaluation — has been achieved by diverting considerable resources from domestic consumption and investment needs.

Internal adjustments

Eight years of devaluation and adjustment policies have failed to promote a major shift to production for the local market. While the share of manufacturing in GDP may have risen to slightly over 10 per cent by 1989, this was still below its 1973 level, according to the World Bank.

Two facets of adjustment policy have played a part in this: the combination of tight credit limits and high interest rates used for curbing demand, and import liberalization. The government's pursuit of positive real interest rates pushed the cost of commercial loans beyond 26 per cent, even as credit availability shrank. This made borrowing to do business very expensive. While local costs rose, trade liberalization opened the door to more imports. A surge in second-hand clothing imports, for example, forced closures in Ghana's textile and garments industry.

In agriculture, good rains and improved infrastructure for production and marketing have helped boost output in recent years. But local rice has accumulated in silos, unable to compete against subsidized imports. Producers of vegetable oils, tobacco, cotton, and canned tomatos have all complained about the pressure of imports. Even the state-owned *Daily Graphic* newspaper warned that trade

Ghana: economic indicators

	1980	1983	1984	1985	1986	1987	1988	1989
GDP at current market prices (C bn)	48.2	184.0	270.6	343.0	511.4	746.0	1057.9	1421.07
Real GDP growth (%)	0.5	-4.6	8.6	5.1	5.2	4.8	5.6	5.1
Merchandise exports ($mn)	1103.6	439.1	565.9	632.4	773.4	826.8	881.0	830
Merchandise imports ($mn)	908	500	533	669	713	952	1091	1164
Current account balance ($mn)	29	-174.1	-38.8	-134.2	-43.0	-96.9	-66.0	-98
Government deficit/GDP (%)	4.2	2.7	1.8	2.2	0.56	0.54	0.3	n.a.
Gross investment/GDP (%)	5.6	3.7	6.9	9.6	9.7	10.8	12.3	n.a.
Total external debt ($mn)	1314	1598	1898	2174	2652	3134	3113	3078
Debt service ratio (%)	12.5	30.5	23.3	24.0	28.5	46.6	56.0	49.2
Official development assistance ($mn)[1]	192.5	109.8	216	203.1	371.5	372.6	474.4	553.3
Cocoa production ('000 tonnes)[2]	285	178	159	175	219	228	188	300
Food production per capita(1979-81=100)	101	79	102	97	98	94	108	111
Foreign res. (months import coverage)	2.3	3.5	6.8	8.6	8.6	2.8	2.4	3.6
Inflation rate (%)	50	123	40	10	25	40	31	25
Exchange rate (average cedis per dollar)	2.75	8.83	35.99	54.37	89.20	153.73	202.35	270.27

Sources: Ghana government, IMF, World Bank, OECD, UNICEF, Gill and Duffus. 1. Net disbursements from all sources. 2. Crop years 1979/80 to 1988/89.

liberalization could become "more of a cancer than a panacea for our economic woes", and called for curbs to the "freewheeling dependent importation" which threatened production and jobs.

One side-effect of these closures and constraints was to raise the rate of capacity utilization in manufacturing towards 50 per cent from around 30 per cent in 1983. In this sense, the devaluation has helped make local production more efficient, but at the expense of diversification in the range of goods produced.

The government has indicated willingness to help rescue companies that can produce exportable goods or import-substitutes at competitive prices, on condition that they fulfill strict performance criteria. There are also plans to set up a finance company with Bank of Ghana participation to ease access to credit for selected companies.

Another key factor in the reform programme, raising investment levels, has not been helped by demand management. Rehabilitation of economic infrastructure has been largely funded externally, and while domestic investment has risen from the pitifully low levels of the 1970s, it remains, at around 12 per cent of GDP, still too low for Ghana's needs.

Severe external shocks made the year 1990 "perhaps our most difficult since the Recovery Programme began."

Kwesi Botchwey
Secretary for Finance and Economic Planning

By keeping down the dollar value of the local wage and other costs, especially for exports, devaluation has been used in Ghana to attract foreign investment. The minimum daily wage fell from the equivalent of $1.46 in 1984 to 60 cents in 1988. The average monthly wage in industries with more than 10 employees in turn fell from $374.12 in 1983 to $72.95 in 1987.

However, net foreign direct investment (FDI) has been slow in coming, a reminder that changing relative prices through devaluation is not enough. Having plunged between 1981 and 1983, net FDI recovered to $6 mn in 1986, then leaped to some $15 mn in 1988. However, even this level was lower than that of 1981, and concentrated in the booming gold sector, it helped the payments balance without broad benefits to the wider economy.

Political uncertainty, another important factor in investment decisions, has also made foreign investors reluctant. Particularly evident in the steep FDI downturn of the early 1980s, this reticence has not been changed by the slow progress in restructuring state enterprises. The government published a new investment code in 1985, launched a privatization programme in 1988, and hosted a major investment promotion conference in 1990 with the World Bank's Multilateral Investment Guarantee Agency. But out of an original offer of 32 parastatals advertized in 1988, the PNDC had approved the sale of only seven by March 1991, 19 others had been liquidated, and negotiations were completed for the sale of the remaining six. Among the acknowledged problems were those of revaluation of assets in the post-devaluation environment, and the burden of termination benefits for workers — the cost of laying off a single worker rose from C200,000 in 1985-87 to C1 mn in 1991.

The social impact

The drive to curtail domestic demand — the necessary expenditure-reducing complement to devaluation — has been most evident in public spending cuts, through elimination of subsidies, and of public sector jobs.

Between 1985 and 1987, over 26,000 public workers were laid off, and the subsequent target has been 15,000 a year. While these job losses have enabled the government to raise nominal wages substantially — especially to widen differentials between senior and other civil servants — there remains a wide gap between real incomes and the cost of living. For example, at the time a new minimum daily wage of C218 was announced in 1990, the Trades Union Congress calculated that an average family needed C2,000 a day for food alone.

There is also acute poverty in Ghana's rural areas, particularly in the north, indicating that if adjustment

policies have managed to shift resources to such areas, the benefits have been very unevenly distributed. Among cocoa farmers, for example, incomes increased overall, but a 1987 survey of four representative Ashanti villages by the UK's Overseas Development Institute and the University of Ghana found that 32 per cent of the farmers got 94 per cent of gross cocoa income.

Devaluation in the context of such countries as Ghana has serious limitations as an instrument of even short-term structural change, and the policy emphasis must move beyond short-term financial considerations.

Government spending cuts have also had a serious impact on health and education. While there was already evidence of regression in some social indicators by the early 1980s, devaluation and structural adjustment may have strengthened that trend. The Ghana Living Standards Survey (LSS) released in 1990 shows rising levels of malnutrition, and over 51 per cent of Ghanaian children underweight in 1985. This marked increase from the 1980 figure of 33 per cent was expected to have risen further by the end of the 1980s. Adult illiteracy is also on the rise, particularly in rural areas. And while just over half of the 25-34 year age group was illiterate, fully 89 per cent of 9-14 year olds were illiterate, the Survey found.

Some predictable lessons

Devaluation and structural adjustment have brought Ghana fewer gains than originally expected in some quarters. This is due to an increasingly hostile external environment, as well as to rigidities in the domestic economy, a structural problem which has not been resolved.

Indeed, some adjustment policies have deepened the problems. Trade liberalization, for example, has exposed Ghana to unequal, and often subsidized, international competition, while high interest rates and low credit ceilings have made local production both difficult and costly.

Furthermore, production linkages between different sectors of the economy have hardly been strengthened. The plight of the textile and garments sector is an example of frustrated potential: cheap imported clothing has flooded in while the unprotected local industry has been unable to take full advantage of local cotton production which had grown to meet more than half of national needs by early 1991. And while the mining sector boom is good for export revenue, other industries may be more important for Ghana's long-term development. Investment must therefore be guided not only into sectors that are at present relatively efficient, but also to sectors with potentially strong linkages to other parts of the economy.

It is now widely acknowledged that investment in the quantity and quality of human capital is also crucial to long-term growth. However, the practice of charging user-fees in Ghana's health and education systems is almost certain to reduce the number of users, with likely adverse implications for future economic performance.

To say that the situation would be even worse without devaluation brings little comfort and few clues to future policy. Clearly, however, the emphasis on commodity export-led growth, and on generating domestic surpluses to maintain international creditworthiness, has led to little progress in addressing structural problems.

These outcomes of using devaluation as a central tool of adjustment have long been predicted, as external demand for raw material exporters like Ghana does not necessarily increase as a result of lowering the dollar price of their exports through devaluation. Indeed, when devaluation helps boost production for export, the increased supply to the world market tends to bring that commodity's prices down. Thus, devaluation may not lead to increased export revenue in dollar terms. Such countries also have few competitive industries, which often cannot take full advantage of the relative price changes brought about by devaluation to reduce imports. If devaluation goes hand in hand with liberalization, industries in countries such as Ghana are likely to be swamped by imports, and the trade and current account deficits may worsen.

Ghana Ministry of Information

Child immunization — aided here by Head of State Jerry Rawlings — has progressed, although other health indicators worsened in the 1980s.

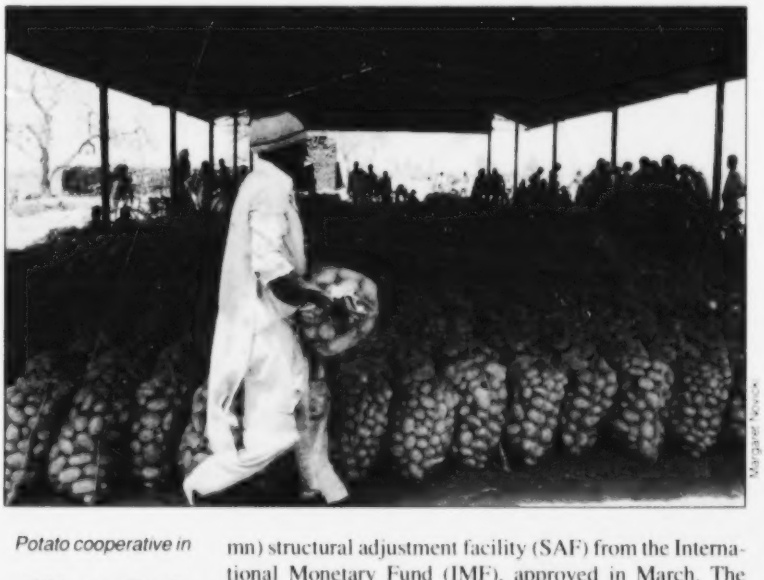
This would have been the Ghanaian experience, but for the exceptional bilateral support it has received. However, not all countries can count on such support, and nor can Ghana indefinitely. Therefore, devaluation in this context has serious limitations as an instrument of even short-term structural change, and the policy emphasis must move beyond short-term financial considerations. Countries like Ghana must refuse to accept the world economic order as it is, and instead seek to change it by pursuing long-term structural transformation within the context of regional integration. ■

Burkina secures adjustment deal

By Ernest Harsch

By this June the final pieces should be in place for funding Burkina Faso's first ever structural adjustment programme. The World Bank is expected to approve an $80 mn structural adjustment credit that month. At the end of May donors are meeting in Geneva for a Round Table session organized by the UN Development Programme (UNDP), at which it is hoped that an equivalent amount in balance of payments support and other funding will be pledged for 1991.

Already in place is a three-year SDR22.1 mn (US$31 mn) structural adjustment facility (SAF) from the International Monetary Fund (IMF), approved in March. The government also had $60.7 mn of debt rescheduled at a 15 March meeting of the Paris Club of official creditors.



Margaret Novice

Potato cooperative in Diédougou. Despite cuts in investment, agriculture will retain a high priority.

The funding package is designed to cover an estimated $170 mn financing gap for this year and support an extensive series of economic reforms, which will affect most parts of the economy over the next two-to-three years. The government's priorities are to increase agricultural production, including for export; develop the private sector; improve management of the public enterprises; and strengthen basic education and essential health services.

External support for Burkina's development efforts has been underway for some time, but became more urgent after 1989 in face of a slowdown in economic growth and a deterioration in public sector finances.

As one of Africa's poorest countries, with a per capita gross domestic product (GDP) of just $350 in 1990 and a very small tax base, Burkina's sources of domestic financing are extremely limited. Its capacity for earning foreign exchange is likewise constrained, with total exports of goods and services in 1989 of some $254 mn — with cotton traditionally the largest single export — far outstripped by an import bill of $721 mn. Despite total earnings being boosted by remittances from the large number of migrant workers in neighbouring states, especially Côte d'Ivoire, a large portion of Burkina's imports, public investments and development projects has traditionally been supported by donors (most notably France). Aid per capita during much of the 1980s averaged $29.5, slightly above the average for sub-Saharan Africa, excluding Nigeria, of $28 in 1989.

Despite its high dependence on a fragile agricultural sector, Burkina's economic growth in recent years has been above the Africa-wide average. The World Bank estimates that Burkina's real GDP grew an average of 7.8 per cent a year over 1984-89, as did agricultural output. Burkina government figures indicate an average GDP growth rate over 1986-90 of 4 per cent a year.

Generally favourable rains were one key factor in Burkina's relatively up-beat performance. Another, as the World Bank acknowledged in its 1989 annual report, is the fact that since 1984 the government has been undertaking a number of adjustment measures of its own devising which "are beginning to bear fruit."

In addition, the country's external debt was kept within manageable limits, reaching $756 mn in 1989, according to the World Bank — equal to $86 per person, against an all-Africa average of $437. Similarly, long-term debt servicing obligations in 1990 amounted to just 11 per cent of export earnings, well below the sub-Saharan average of 43 per cent.

Deterioration in finances

Nevertheless, since around 1986 Burkina's public finance position has worsened. Due in part to shortfalls in tax collection and problems in the management of some publically-owned enterprises the government has run a large budget deficit in the second half of the 1980s (see graph). Payment arrears steadily mounted, taking a dramatic leap in 1989 when the government assumed the outstanding obligations of Régie Abidjan-Niger (RAN), the joint railway venture with Côte d'Ivoire, which was liquidated that year. By the end of 1990 domestic and external arrears were estimated to have risen to nearly $300 mn, with slightly over half owed to foreign creditors, mainly Côte d'Ivoire.

The government's economic programme for 1991-93, which has served as the basis for negotiations with the IMF and World Bank, aims to reduce such financial imbalances while promoting continued economic growth. One area that is to receive particular attention is the public sector, which comprises 96 enterprises and accounts for a significant portion of Burkina's industrial and commercial activity. Although Burkinabè officials maintain that the country's parastatals are relatively better managed than in some other countries in the region, several are experiencing difficulties, including the Sosuco sugar enterprise, the Soremib gold mining operation and the Faso Fani textiles enterprise. In 1989 a survey of 30 parastatals revealed overall operating losses totalling some $24 mn.

The government is planning to progressively reduce its involvement in such enterprises, liquidating those it considers unviable and fully or partially privatizing many others. As a target the government expects to limit its holding in most commercial enterprises to 25 per cent.

Cautious measures are also being projected to reduce the public sector wage bill by bringing down staffing levels through a policy of attrition. This is designed to reduce

personnel costs from 64 to 60 per cent of the recurrent budget by 1993.

Limiting new investment

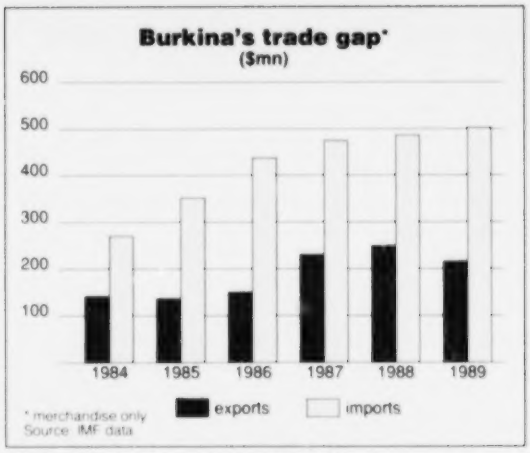
Overall, government capital expenditures will be limited to priority projects selected in agreement with the World Bank. When Burkina's National Planning Council revealed its second five-year development plan on 23 March, the amount of investments totalled CFA508 bn ($1.8 bn), just half of the originally projected expenditure of CFA1,000 bn ($3.6 bn). Since the first five-year plan for 1986-90, slated at CFA630 bn ($2.25 bn), was only able to secure 68 per cent of its required financing, the scaling back of the second plan is an expression of "realism," according to Planning and Cooperation Minister Frédéric Korsaga, reflecting both a sober assessment of Burkina's external financing prospects and the constraints of the adjustment programme.

Capital spending will be limited to projects agreed with the World Bank. Investments have been scaled back in the latest five-year development plan.

The 1991 Public Investment Programme allocates 17.8 per cent of its investments directly to agriculture and another 28 per cent to water resources development. A separate $28 mn agricultural sector loan is currently being negotiated with the World Bank, as is a transport credit for $36 mn, part of which will go toward improvement of the rural road network.

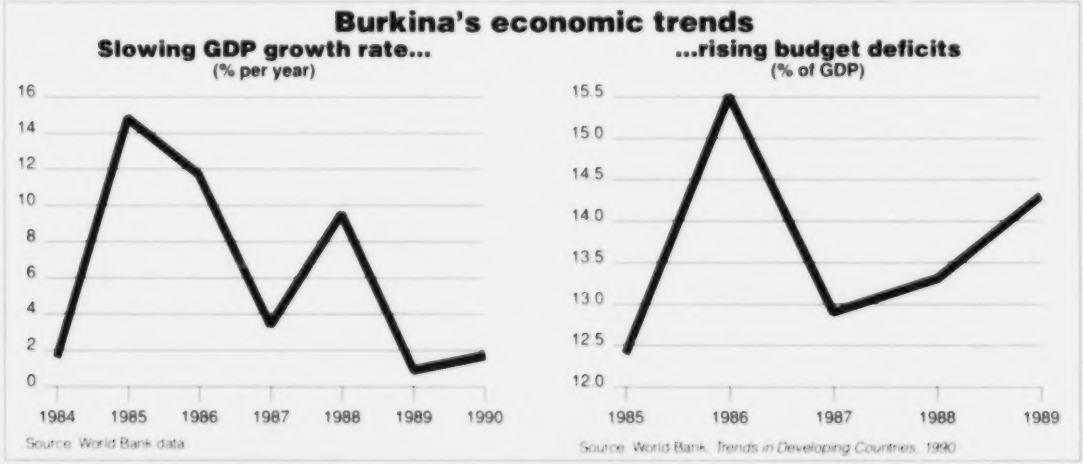
A range of reform measures is projected to promote greater private investment. These include trade liberalization, both international and domestic, with the latter linked to the elimination of most price controls; rehabilitation and restructuring of the banking sector; the easing of investment procedures; and revision of the labour code — a potentially sensitive issue for Burkina's trade unions.

Washington sources note that the design of Burkina's structural adjustment programme drew on lessons learned from similar programmes elsewhere in Africa, in particular on the need to take into account the potential social impact of the adjustment process. This, combined with Burkina's own strong emphasis on social development, has translated into a specific earmarking of financial resources for health, education and other vital social needs.



Plans are being laid to strengthen the health infrastructure, especially in the rural areas. Budget appropriations project recruiting about 950 additional primary school teachers each year, with the aim of increasing primary school enrollment from 28 per cent in 1988 to at least 40 per cent of eligible children by 1996. Efforts will also be made to reduce the adult illiteracy rate, now at more than 90 per cent, one of the highest rates in Africa. To contain direct government spending in these areas, health-care users will be asked to pay some of the costs, while local communities will be urged to participate in school construction.

Given Burkina's vulnerability to drought and desertification, one particular feature of the adjustment programme will be to maintain — and expand — efforts to protect the environment. A larger share of public expenditures is to be allocated to environmental conservation (more than $11 mn in 1991), and each development project must now include an environmental impact study. A national environmental action plan is under preparation with the support of major donors. Plans are well underway for the surveying of village lands, so that the Burkinabè authorities, in consultation with local communities, can more systematically allocate land use according to whether it is to be employed for agriculture, livestock or conservation purposes. ■



People defend Botswana's environment

By Derek James in Gaborone

Democracy is alive and kicking in Botswana. Earlier this year the government suspended a controversial water development scheme in the Okavango Delta. The decision followed a January "kgotla", or village council, at Maun in northern Botswana. For seven hours local residents and conservationists told the visiting Minister of Mineral Resources and Water Affairs, Archie Mogwe, that the scheme, which involved dredging part of the Boro River, would threaten their livelihoods as well as parts of the unique eco-system of the Delta.

Villagers said they had seen the failure of other dredging projects where rivers had dried up, threatening their livelihood as well as the wildlife. "You will dry the delta. We will have no more fish to eat. No more reeds to build our houses," the *Washington Post* quotes one villager as saying. Tourist operators and game wardens stressed the impact on the area's wildlife. Many claimed that the Boro scheme would act as a precedent for much larger schemes.

Immediately following the meeting, the government agreed to suspend the scheme and has held renewed consultations with the local communities on possible ways to modify the project.

The scheme — known as the Southern Okavango Integrated Water Development Project — is intended to provide a more regular water supply for the growing township of Maun and its surrounding villages, which lie on the edge of the Okavango Delta. The Delta is formed by the large Okavango River, which rises in Angola, and whose waters gradually dissipate over some 15,000 square kilometres of northern Botswana, creating a vast region of swamps, rivers and lush grasslands.

The scheme involved dredging 40 kilometres of the lower Boro River (see map), 25 kilometres of it inside the so-called buffalo fence which protects the Delta area from encroachment by cattle. It also involved construction of a weir on the Boro to divert water from one of its subsidiary channels and of a reservoir at Maun.

Costed at some $25 mn, the project would have regularized the water supply for Maun, which currently gets its water from the Sashe wellfield. Already, in years when the rainfall is poor, as in 1987-89, water restrictions have had to be imposed. With 400 new consumers since restrictions were lifted and a further 1,000 waiting to be connected, existing supplies will be inadequate by next year, even with normal rains, according to Department of Water Affairs Director Moremi Sekwale.

Given the problem of water shortages, the Cabinet gave the go-ahead for the scheme. The Department "long said there would be an environmental impact," Mr. Sekwale says. Studies were carried out into the consequences on wildlife, local farming and fisheries, tourism and others. These were considered to be relatively limited, affecting, Mr. Sekwale claims, less than 1 per cent of the Delta area, and far outweighed by the benefits. These included some 1,300 hectares of irrigated farmland. Officials argue that

Balancing conservation and development

The Okavango Delta is viewed as one of Africa's last unspoilt wildernesses; a unique environment of myriad rivers and swamps in the heart of an otherwise arid land, and a treasure trove of wildlife. Traditional communities still live and work in the Delta, but much of it is designated as a wildlife preserve, with only carefully managed, 'low-impact' tourism allowed.

Rob Cousins

Canoe on Okavango swamps. Only low-impact tourism has been permitted.

But sitting on the edge of the Kalahari Desert, many in Botswana have viewed the Delta through ambivalent eyes: both a treasure to preserve and a vast resource for one of the country's scarcest commodities — water. Of the vast flow of water into the Delta from the Okavango River only an estimated 5 per cent flows out in the form of the Boteti River. The rest, most of which evaporates, has been considered a lost resource, to be tapped if possible.

This ambivalence could now be resolved. The new national conservation strategy, which has been passed by the National Assembly, has recommended that the Okavango Delta be designated a World Heritage Site and that the government join the Ramsar Convention on Wetland Protection. A government committee is now studying this recommendation, but officials say that the principle of making the Okavango Delta a protected area has been accepted and it is the mechanisms which are now being discussed.

The national master water plan, now under preparation, makes clear that there are no plans to make a major use of the Delta's apparently ample resources to supply other regions of Botswana, particularly the rapidly growing eastern part of the country. "We are no longer looking at the Okavango as a potential resource for long-distance water transfer to eastern Botswana," Mr. Moremi Sekwale, Direc-

the consultative process was also adequate. The Cabinet approved the scheme in December 1988 only after constant feedback from concerned organizations and local meetings were organized to explain the scheme.

However, the arrival of a construction company late last year to carry out the work provoked widespread protest locally, which escalated first nationally and then internationally. Botswana's lively and varied press took up the cause, as did many politicians.

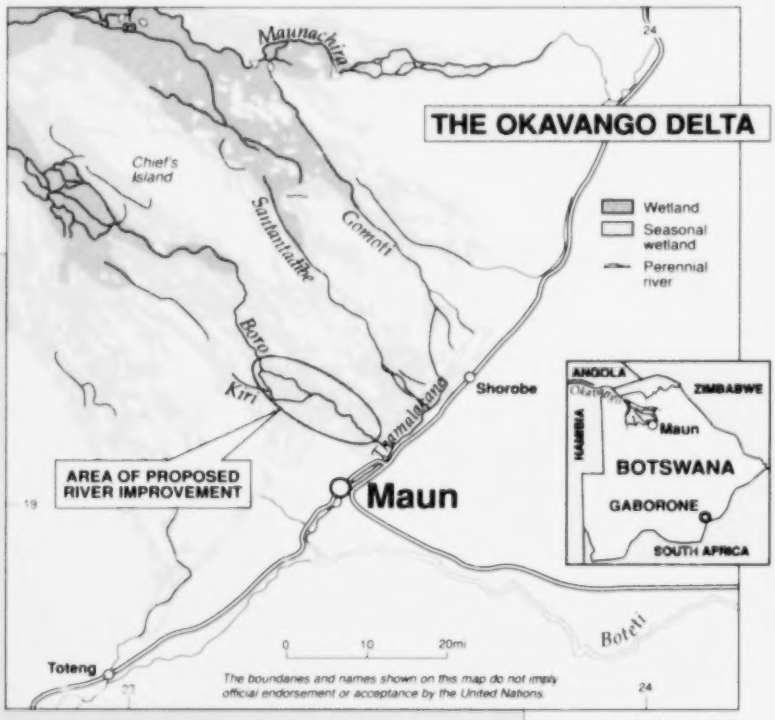
Greenpeace, the international environmental pressure group, became involved and began to orchestrate a controversial "Diamonds are for Death" campaign to boycott Botswana's main export earner. This reflected claims that the diamond mine at Orapa, some 300 kilometres south-east of Maun, was to be a major beneficiary of the scheme.

The claim was quickly denied by De Beers Botswana Mining Company (Debswana), the joint venture between South Africa's De Beers Consolidated Mines and the Botswana government which owns the mine. Mr. Sekwale says that the Boro scheme "had no direct benefit for Orapa," explaining that at present the mine already had sufficient groundwater for its needs. However, with concern that rising use of water exceeds the replenishment rate of groundwater, Orapa has been included as a potential consumer of a proposed second phase scheme to improve water supply in the region. This involves building a reservoir on the Boteti River, 150 kilometres south of Maun at Sukwane. This scheme is under investigation, but being dependent on receiving water from the Boro scheme its start-up is likely to be delayed.

The government was prompt in inviting a Greenpeace team to Botswana to discuss the Boro scheme. Their March report was highly critical of the scheme, arguing that it would do irreversible harm to the Delta. However, by then the country's own traditional form of popular participation had ensured that the voice of the people was being listened to.

The "kgotla" is the traditional tribal debating forum in Batswana society and has remained an important channel for dialogue between government and people, despite the introduction of an effective parliamentary system. The strong dissent to the scheme at the January "kgotla," convinced the government of the need to suspend it.

Proposed solutions range from abandoning the scheme, to a phased approach which would eliminate the need for dredging. A final decision has still to be made, but officials have confirmed that a new study by independent consultants, as demanded by a number of groups, is to go ahead. ■



MAP NO. 3633 UNITED NATIONS APRIL 1991

tor of Water Affairs, categorically states.

He claims that this decision in part has been the result of studies into the Delta's potential carried out for the Southern Okavango Integrated Water Development Project. At a very early phase of the Boro scheme irrigation was envisaged as playing a much more important role, Mr. Sekwale says. Hopes that some 10,000 hectares in the surrounding areas could be irrigated have not been realized, with studies showing that not only are the soils largely inadequate, but that any irrigation on this scale would have a major environmental impact because of the huge amount of water required. Instead the government is looking to the Chobe River, further north, as a long-term supply source for the dry eastern region.

Mr. Sekwale argues that declaring the Okavango a World Heritage Site and protected wetland "would not in anyway affect the [Boro] scheme," if it were to go ahead. He says that the careful environmental impact assessment studies carried out — and the limited consequences they have shown — fall within the guidelines for protecting such areas as the Delta.

The Kalahari Conservation Society points out that the World Heritage Sites and Ramsar conventions are conservation measures, not preservation measures. Nationally, the new conservation strategy is seen as satisfying any requirement for assessing and minimizing the environmental impact. Although controversy continues to rage in Botswana over the continued use of fencing to protect cattle, which it is argued has had a very serious impact on the nation's wildlife. Signing the conventions would increase leverage at the international level to help preserve the Delta, it is argued. Policy decisions taken in both Angola and Namibia, through which the Okavango's waters flow could affect the Delta region. As an international reserve, the Okavango Delta becomes unequivocally a global treasure.

CENTRAL BANK GOVERNORS DEBATE ADJUSTMENT POLICIES

Tough times ahead for Africa

By Roy Laishley

Grim prospects and continuous adjustment face Africa in the coming years, a 25-27 February gathering of African central bank governors, aid officials and academics, generally concluded. But they failed to agree on many of the policies that need to be taken, or indeed, if present adjustment programmes were winning the battle to transform Africa's current economic crisis into sustainable recovery.

The second symposium organized jointly by the Association of African Central Banks (AACB) and the International Monetary Fund (IMF), held in Gaborone, Botswana, addressed three major themes: adjustment, external debt, and financing growth and development. Participants agreed it was a less acrimonious, more constructive exchange than the first symposium, held in 1985. "It was a far more pragmatic and useful meeting," one African said, a view repeated by many others.

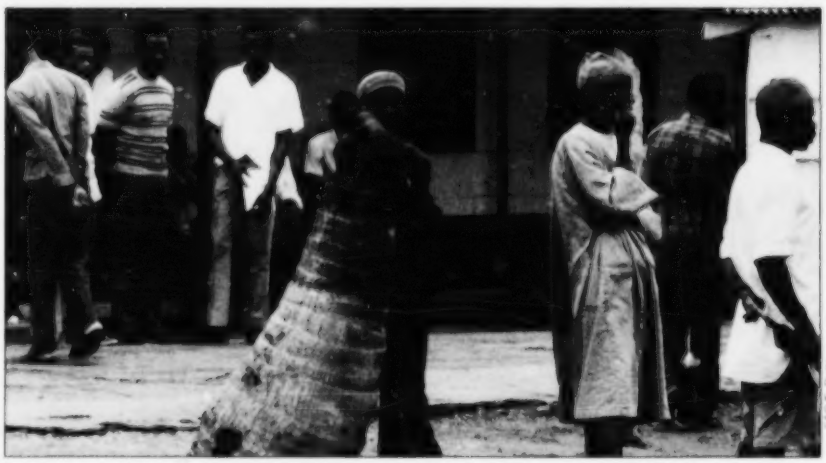
The extent of Africa's economic crisis, the role of both internal and external factors in perpetuating it, and structural adjustment as a long-term effort, requiring fiscal rectitude and governed by the goal of achieving sustainable growth, were all points upon which most participants could agree.

"Much of Africa will clearly need to rely heavily in the period ahead on domestic sources of finance."

Michel Camdessus
IMF Managing Director

But precisely how that goal could be achieved, the nature and order of priorities to be tackled, and the role and contribution of outside agencies, such as the IMF, were all points of continuing disagreement. Most African central bank governors affirmed their commitment to correcting price distortions and allowing market forces freer play, but also argued that the somewhat simplistic models of reform they had been encouraged to implement needed serious modifications in order to meet the goal of accelerated growth in Africa. They also expressed concern at the mounting social cost of many adjustment policies.

There was general consensus that Africa would continue to face a very harsh, and even worsening international economic climate. Many participants referred to fears over the increasing marginalization of Africa, poorer world growth prospects and a serious intensification in competition for capital — both concessional finance and private investment.



People waiting for work outside an employment office in West Africa. Many adjustment programmes have led to widespread job losses.

Most could agree with the conclusion of IMF Managing Director Michel Camdessus that "much of Africa will clearly need to rely heavily in the period ahead on domestic sources of finance." It was a conclusion also drawn by Mr. O. Teriba from the UN Economic Commission for Africa (ECA). "The primary source of development finance for the developing countries of Africa is and will remain the domestic savings of the countries themselves," he said.

Managing adjustment

Adjustment is "a permanent process," Tanzania's central bank governor Gilman Rutihinda reminded the symposium. And while there was general consensus that most countries were in for the long haul in restructuring their economy, there was wide debate on whether things were gradually improving, or whether a deteriorating situation demanded different and more radical policies to turn African economies around.

For Mr. Camdessus, results to date have indeed been "modest," but "in many countries we see encouraging signs." A Fund paper for the meeting argued that for an increasing number of countries economic performance was improving.

Others preferred to stress the mixed results to date. Analysis by A. K. Mullei of the African Centre for Monetary Studies found that nine out of 17 countries surveyed showed "appreciable deterioration" in many areas of economic performance after structural adjustment had begun. Tony Killick, from the UK's Overseas Development Institute, said that preliminary research at his institute suggested that 45 per cent of IMF programmes in Africa during the 1980s had broken down.

Even the new generation of structural adjustment programmes (SAPs), designed by the IMF and World Bank and which, as the UN Conference on Trade and Development (UNCTAD) observed, are broader in scope and more oriented towards growth and development, may not be up to the task. Ethiopia's central bank governor, Bekele Tamirat, pointing out that the social costs threatened to outweigh the benefits from adjustment. In his opening address, Sierra Leone's central bank governor, Abdul Turay, who is currently AACB president, warned that the effectiveness of current structural adjustment programmes in achieving the desired ends "are in doubt," adding that "rigidities and bottlenecks in our economic structures defy adjustment by the traditional preferred policy instruments of the Bretton Woods institutions."

Nine out of 17 countries surveyed showed appreciable deterioration in post-structural adjustment performances.

A.K. Mullei
African Centre for Monetary Studies

For the Fund's Jack Boorman, strong policy reforms to reduce imbalances in a country's external payments and in public expenditure remain a key precondition for structural change. In this respect, getting prices right is crucial, including that of a country's currency. This objective in turn needs strong action in such areas as demand management — which would help to control inflation, as well as helping to stabilize government and national accounts — and trade liberalization, necessary to ensure that changes in the relative prices of imports and exports do not continue to be distorted by administrative controls.

Lesotho's central bank governor, A. M. Maruping cited his country's relative success with its structural adjustment programme and declared: "SAP does work." However, he differentiated between stabilization measures which had achieved "commendable results" and restructuring of the economy which had moved "rather sluggishly." Zaire's central bank governor, Pay-Pay wa Syakassighe, also concluded that his country had "yet to find the path toward sustained growth."

Striking the right balance

Mr. Rutihinda voiced a common concern when he argued that it was in striking a balance between stabilization and structural change measures that many adjustment programmes had fallen down. For example, "IMF experts tend to overload the exchange rate at the expense of other policy instruments," he said. Tanzania's experience showed that deep cuts in the value of the currency did not yield the expected results quickly because of rigidities in the country's economy — such as lack of transport, or a poor financial infrastructure — which meant that the expected response to a change in prices did not materialize. At the same time there were other directly negative consequences. Public enterprises with a heavy foreign debt suddenly found the local cost of servicing the debt dramatically increased, pushing many of them into insolvency. Balancing government accounts also became more difficult.

Mr. Rutihinda suggested that currency adjustments needed to be staggered so as to avoid, or ease, many of their harsher effects and to reflect the longer time frame in which policy reforms needed to be set. Similarly, financial reform was vital if the intended response to price changes from the productive sectors was to materialize. Without it, there could be "disastrous consequences" in such areas as domestic savings, he said.

The need for early reform of the financial sector was a common theme of the symposium, where many delegates voiced their concern over savings and investment levels in Africa. Mr. Camdessus stressed the importance of action to strengthen the com-

turn to page 33

IMF

IMF Managing Director, Michel Camdessus.

The IMF's troubled role in Africa

Five years of net transfers from Africa to the IMF lay behind many of the comments in Gaborone on the often troubled relations between Africa and an institution which should be at the centre of the continent's economic recovery efforts. At any given time many of the 30 or so country programmes in place in Africa have been in suspension, suffering from significant delays in disbursement or requiring time-consuming negotiations on the performance criteria, participants observed. The counterpoint to this has been a large pool of monies — some of it highly concessional — waiting to be used by a cash-starved continent.

The Fund continues to play an important role in Africa by offering technical assistance to central banks, an area Mr. Turay would like to see enhanced. According to Mr. Camdessus: "What we need are more countries to come forward with well-designed programmes." But for many African countries, three crucial factors have curtailed their ability to take up Fund facilities — cost, arrears, and conditionality.

For most African countries the high cost of borrowing from the IMF's regular account — 8-9 per cent and a short repayment period — has been prohibitive. The establishment of two soft-loan arms, the structural adjustment facility (SAF) and its enhanced version (ESAF), in theory got round that problem, but as was pointed out in Gaborone, of total resources available of SDR8.7 bn ($11.7 bn) less than 20 per cent has been disbursed after four years of operations.

Furthermore, lending from one potentially important arm of the Fund, the revamped Compensatory and Contingency Financing Facility (CCFF), is only on regular terms. The Fund made changes to the CCFF at the time of the Gulf crisis to help countries with higher oil bills, but to date African countries have not made use of the facility, in part because of its high cost. Making it available on ESAF terms, of course, could transform this situation.

Arrears have also prevented several countries from using the IMF. The new "rights" approach has been devised to solve this problem and Zambia has become the first country to take up such a programme (see page 34). But Mr. Turay, whose country, Sierra Leone, could be next in line, argued that the approach gave no guarantee that countries would secure the amount of quickly disbursed external support needed to keep an adjustment programme on track. And, as Mr. Mistry pointed out, the IMF still demands "unaffordable" annual interest payments.

Finally, conditionality continues to limit the use of Fund resources. IMF officials remain adamant that strong and appropriate programmes must be in place for the Fund to disburse money. Much of the meeting was spent in discussing just what was "strong" and "appropriate." But for many governors, beyond that was a concern over the IMF's time-frame for change. To Mr. Rutihinda even the ESAF "appears to have lost its meaning," because IMF officials always expect quick results. It was this apparent incompatibility between the agreed long-term nature of adjustment efforts and the short-term perspective which is the IMF's traditional brief, that remains a key to the Fund's present dilemma in Africa. While the view was expressed that the Fund's essential function as a provider of short-term balance of payments support made it inappropriate as a central agent in Africa's recovery efforts, many delegates argued that it could play a more positive role in Africa by taking a longer-term view on issues like performance criteria, resource flows and debt.

Canadian NGOs forge new partnership with Africa

Forging a more equal partnership between Canadian and African NGOs is at the centre of recent aid efforts.

By Christopher Neal

As millions in the Horn of Africa struggle through drought, famine and war, a coalition of Canadian non-governmental organizations (NGOs) is seeking Can$ 100 mn ($US 87 mn) for Africa from Canada's government. The money would maintain Partnership Africa Canada (PAC), a unique fund jointly administered by Canadian and African NGOs since late 1986. Drawing on Can$ 75 mn granted by the Canadian government, PAC has supported over 300 projects in an innovative scheme to strengthen African NGOs, promote partnership and raise awareness of Africa among Canadians. The additional Can$ 100 mn, if granted, would extend PAC's existence from 1993 to 1998.

Many are concerned that cuts in Canada's development assistance in the last three federal budgets, totalling Can$ 3.7 bn, do not augur well for PAC's future. But Monique Landry, Canada's Minister for International Development, fuelled hopes by praising PAC's accomplishments in December. "We recently reviewed the work of Africa 2000 (the federal programme that includes PAC) and found, in most cases, that its results were very positive," the Minister said. In a speech to the Inter-Agency Task Force on the UN Programme of Action on African Economic Recovery and Development (UNPAAERD), Landry cited PAC as an initiative "that [has] played an important part in its [UNPAAERD] work."

PAC, as its name suggests, has been a unique partnership, bringing together many of Canada's 100 or more voluntary agencies and African grass-roots organizations in a vision of more balanced international cooperation. Canadian NGOs have a long association with Africa, with Canadian Roman Catholic priests, for example, helping to found the universities of Addis Ababa and Rwanda. Every year NGOs such as Oxfam-Canada, Oxfam-Québec, the Canadian Catholic Organization for Development and Peace, CUSO and the Centre canadien d'Etudes et de Coopération Internationale raise some Can$ 250 mn, a considerable portion of which goes to African development projects. The government's Canadian International Development Agency (CIDA) provides matching grants for many of them. In 1990-91 alone CIDA granted Can$ 75 mn directly to NGOs for projects and Canadian workers in Africa.

Roots in famine

An important part of such Canadian NGO activity in Africa is now being channelled through PAC. PAC's roots are in the 1984-85 African famine, when images of starving children huddled in the Ethiopian desert were televised across Canada night after night, haunting that wealthy nation's people. It was a dramatic media blitz that triggered a massive response from Canadians, who donated over Can$ 50 mn to alleviate the misery of famine in the Horn.

Some 80 per cent of Canada's 26 million people participated in the relief effort. Fundraising committees appeared in major cities, across the central prairies, even in villages such as Eskimo Point, an Inuit community of 1,000 on Hudson Bay that had experienced famine in the 1950s. Schools, labour unions and community groups mobilized in an unprecedented outpouring of solidarity with the famine victims.

As awareness of the drought and famine grew, Canadian aid was dispatched across the Sahel region, from Mauritania to the Horn, as well as in Angola and Mozambique. Canada's newly-elected Conservative government named David MacDonald, a former Member of Parliament, to coordinate the relief effort. MacDonald met with more than 50 Canadian NGOs working in Africa, who formed a coalition called African Emergency Aid.

"There had never been such a broad coalition," recalled Lawrence Cumming, then National Secretary of Oxfam-Canada. "We felt that we'd captured something, achieved a new level of cooperation and commitment to Africa. We wanted to preserve it."

As the African famine subsided in 1986, the coalition of NGOs presented a proposal to the Canadian government seeking financing for long-term NGO development and recovery initiatives in Africa, and for a

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mechanism to respond to emergencies, such as the African famine. The same themes were picked up by MacDonald, who reported to the government on emergency aid to the African famine that, "it is essential that this partnership which has been established between the public and the government in support of African famine victims be continued."

Canadian NGOs met through 1986 to refine plans for a coalition that would emphasize "partnership" between African and Canadian NGOs. The "partnership" idea responded to demands by African NGOs seeking more decision-making power in project design and allocation of funds. The coalition concept also sought to address African frustration with the time-consuming routine of having to deal with dozens of donor NGOs individually. Through PAC, they can deal with them as a group, at once exercising more influence on programme design.

Partnership Africa Canada was founded in October 1986. Almost immediately CIDA confirmed a grant of Can$ 75 mn for spending over five years. This was fully one-half of CIDA's budget for the Africa 2000 programme announced by Canada's then Minister for External Relations and International Development, Monique Vézina at the UN's 1986 Special Session on the Critical Economic Situation in Africa. The Can$ 150 mn programme, the Minister announced, would be devoted to 2,000 small-scale projects and channelled through Canadian voluntary organizations.

The other half of the Africa 2000 budget has supported an environmental programme administered by the UN Development Programme that connects African NGOs with grass-roots groups. This programme follows an initiative launched by Canadian municipalities to forge cooperation links with African cities and towns, as well as other programmes administered by UN agencies and CIDA.

New criteria for aid

"That far-sighted government commitment to PAC was critical," Cumming said. But PAC's easy birth was followed by some tense infighting. The new coalition's funds were disbursed slowly at first, as PAC's first board of directors was rigorous in applying agreed criteria, or 'conditionalities' for projects it would support. In order to qualify for consideration by PAC, projects were — and are — required to:

- **promote African development, primarily by supporting and strengthening African NGOs.**
- **increase the Canadian public's understanding of and support for long-term sustainable development in sub-Saharan Africa.**

With only Can$ 3.9 mn disbursed in PAC's first year, the organization came under pressure to spend the money faster. Some NGOs complained, often bitterly, when their conventional project proposals failed to obtain PAC's support.

"Many Canadian NGOs didn't understand what we meant by institutional strengthening of African NGOs," said Betty Plewes, PAC's first chairperson. "We had to decide whether to be strict about our criteria or whether to support whatever projects were submitted. We decided to be strict."

PAC's organizers also felt the need to raise the Canadian public's awareness of Africa partly because images of starvation, while they prompted the generous public reaction that led to PAC's creation, were inaccurate and counter-productive. "We had to change the image of Africans that had developed during the famine," Plewes said. "The image of starving children propelled people to give, but it created a terrible image of dependency."

PAC helps women start small businesses, such as this bakery in Kenya.

PAC fosters new NGO cooperation

After wrangling and management changes, proposals coming before PAC gradually shifted to line up with the criteria. By March 1990, over 200 organizations had submitted proposals to PAC, which by then had approved Can$ 47.5 mn for 327 projects. The range of projects is vast, stretching from an exchange programme for soapstone carvers in Kenya and Quebec to improve production, management and marketing for their

artworks, to support for the February 1990 International Conference on Popular Participation in Africa, held in Arusha, Tanzania. That conference, which forged a new partnership among African NGOs, African governments and the UN system, concluded with the Arusha Charter, enshrining a commitment to democratic rights and grassroots participation in political processes.

PAC has also nurtured cooperation among Canadian NGOs. In early 1987, for example, PAC provided funds for a delegation of Canadian NGOs to visit Mozambique. The delegation's enthusiastic report led to the creation of an 18-agency task force that designed an integrated programme combining relief and rehabilitation in Mozambique with education in Canada. The programme, known as Cooperation Canada Mozambique (COCAMO), is concentrated in Nampula province, where the Canadian government has helped finance a major programme to rehabilitate the vital Nacala railway. PAC has provided Can$ 3.45 mn to support COCAMO's work, which emphasizes support for agricultural cooperatives, construction of health posts and schools, rural drinking water projects, carpentry and fisheries cooperatives. All projects are designed to promote the role of women as equal participants — another 'conditionality' established by PAC.

In 1988, a similar delegation to Angola resulted in a 22-member coalition of Canadian NGOs setting up Programme Angola, a coordinated initiative to support rehabilitation, medical training, agroforestry, primary schools and orphanages. The coalition received nearly Can$ 7 mn from PAC, along with Can$ 2.8 mn from CIDA to respond to drought in Angola's southern provinces.

Nurturing coalitions

Coalitions, or joint project-holders, are favoured under PAC's funding criteria, with a match of four-to-one offered for their projects, while individual NGO projects qualify for three-to-one matching funding. Joint project-holders get the added incentive as PAC encourages concerted action that reduces the administrative cost of projects.

COCAMO and Programme Angola owe their existence to PAC. Before PAC, few Canadian NGOs had developed programmes in Mozambique and Angola, as it was expensive to go there and there were no Canadian missions in place and scant bilateral government aid. Now, however, Canadian NGOs are drawing on their shared experience in both countries to press Canada's government to establish more substantial assistance programmes there.

PAC-funded projects

Financial support from Partnership Africa-Canada has spurred innovative projects that often combine partnership, development assistance and the raising of public awareness of Africa in Canada. Examples include:

- Supporting the peace process in Namibia through monitoring missions, a public awareness campaign in Canada and producing background documentaries for television.
- Ethiopia NGO Support Programmes, in which PAC provided over Can$ 972,000 to nine Canadian NGOs working with Ethiopian NGOs for long-term development in the Shewa region. The coalition supports projects in agriculture, access to water, appropriate technologies, health and rural development.
- "Des mains pour demain," in which PAC paid for the visit to Canada of two representatives from the village of Sanankoroba, Mali. Following their tour, a twinning programme was set up between the Malian village and the Quebec town of Ste. Elisabeth. PAC subsequently provided Can$ 22,000 to equip Sanankoroba with cattle and farm equipment.
- "Expanding the Frames: New African Media for New Canadian Audiences," in which PAC supports, with Can$ 56,000, a programme to promote and broaden the availability of audio-visual material on Africa, or produced by Africans, in Canadian libraries and schools.
- A twinning launched by the Canadian agency CUSO, between Bunkpurugu, Ghana, and Thunder Bay, in northern Ontario, Canada. PAC funding helps support projects in literacy, agriculture, health and education in Ghana. Additional support from Thunder Bay's city council and business community was prompted by a PAC-sponsored Canadian visit by Bunkpurugu project managers in 1989.

Monique Landry, Canada's Minister for External Relations and International Development, says PAC's work has been very positive.

This cooperation in "consortia" by Canadian NGOs is a new departure for many agencies more accustomed to competing for scarce funds and squabbling over political orientation and perceptions of what is good development work and what is not. "It is harder for the Canadian NGOs to work in consortia," said PAC board member Lise Latrémouille, who also works for the NGO Inter Pares. "But it is easier for our African partners. It is also better for our understanding of the issues. The debate remains focused on Africa."

An African presence

That focus on Africa is buttressed by the presence of four Africans on PAC's 18-member board of directors, and on the organization's programme committee that oversees project approvals. "That shows we're serious when we say 'partnership'," said Marc Laporte, PAC's executive director. "With this precedent established, many African NGOs are now pressuring European NGOs to include Africans on their boards of directors."

PAC board member Mazide N'Diaye, who is director of the Forum of African Voluntary Organizations, places PAC among "the most advanced North-South initiatives, because it imposes real partnership on Northern agencies. It requires them to have real, credible African partners and not just someone who lends their name to a project or programme."

Mr. N'Diaye also notes that PAC is "one of few [Northern] organizations that has Southern partners on its board of directors, who are chosen by the Southern partners themselves." ■

NGOs criticize World Bank on 'harmful' environment policies

Non-governmental organizations have called on donor governments to withhold contributions to the new Global Environment Facility (GEF) recently set up by the World Bank, UN Development Programme and UN Environment Programme, and to suspend all its projects. More than 60 NGOs from four continents, meeting in Washington with the World Bank in late April, also urged the Bank to freeze any lending to logging, industrial and infrastructural projects located in natural forests. NGOs described a draft policy on tropical forestry development, presented to the meeting by the World Bank, as "fundamentally flawed."

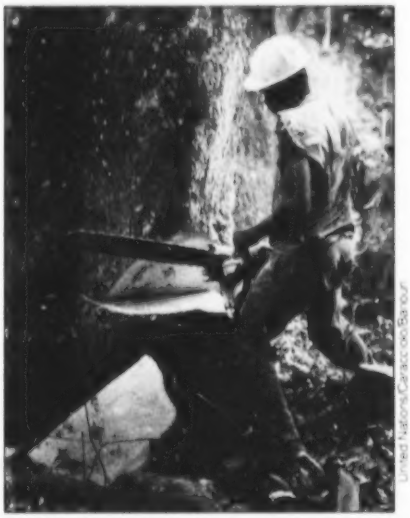
The Bank has taken "due note" of NGO concerns, a spokesman told *Africa Recovery*, pointing to the growing level of NGO input into the revision of Bank policies on the environment. The Bank's executive board will consider the NGOs' views at a late-May appraisal of the Forestry Policy Paper, officials said. These views have been synthesized by the director of the Bank's Agriculture and Rural Development Department Michel Petit, who chaired some of the sessions of the joint Bank/NGO forum.

The GEF was created in 1990 as a $1.5 bn, three-year pilot programme to help developing countries "meet their share of the costs of tackling global environmental problems", according to World Bank President Barber Conable. But NGOs argue that the global environmental crisis must be tackled at its source, in industrial countries. They called for a halt to GEF operations until, among other things, regional and international meetings were held with local people affected by GEF projects; NGO observers participated in the twice-yearly GEF donors' meetings; and the Bank reformed its lending practices, with all GEF projects subject to "the most stringent environmental and social assessments possible."

However, the consensus among GEF donors, especially the Europeans, who met in Washington at the beginning of May, was for its operations to go ahead, said an official in the Bank's Environment Department, although the US wanted a small delay to seek advice from an independent panel of American scientists and technicians. During the May meeting many donors spoke against NGO participation in their deliberations.

On forest sector policy, the NGOs claimed that "no sector of Bank lending has had such a poor recent record". They expressed concern over forestry sector loans totalling $113 mn that are currently in the pipeline for Cameroon, Gabon and Zaire. The NGOs argue that the loan preparation could not have reflected a new policy approach "since the policy does not yet exist."

NGOs recognized the positive general statements in the Bank's forestry policy paper. An earlier Bank report on progress in its collaboration with NGOs noted that some 50 per cent of Bank loans in the 1990 financial year contained environmental components. However, the NGOs said at the April meeting that the Bank's forest policy "does not direct the Bank to stop its involvement," through its lending policies and practices, in the annual destruction of over 20 mn hectares of tropical forest. The Bank stresses that its environment policies are in the process of being revised. ■



United Nations/Carol de Bakker

Exploitation of tropical forests, such as in Cameroon, remains a major point of disagreement between the World Bank and environmental NGOs.

Forward movement on capacity-building

A new body to strengthen economic management and policy analysis in Africa has opened its doors in Harare. With its fund of $100 mn, the African Capacity Building Foundation (ACBF) will act as a "facilitator, coordinator, and resource mobilizer", says its recently appointed executive director, Jonathan Frimpong-Ansah, formerly a senior adviser in Standard Chartered Bank and an ex-Governor of the Bank of Ghana.

The ACBF, a four-year pilot project to which eight African countries have so far contributed $250,000 each, is an initiative of the African Development Bank, the UN Development Programme and the World Bank. Its immediate aim is to reinforce African policy formulation and development management by promoting the use of African researchers, analysts and managers. The initial focus on policy analysis and development management was chosen because they impact on progress in all other sectors. "You can't take on all burdens at once, or in one institution", argues Frimpong-Ansah.

"Our first approach when we get to a country will be to go to the users of the product — for example, to the government and private sector institutions involved in policy analysis and development planning, says Frimpong-Ansah. "We would spend a lot of time finding out what the gaps are and what it would require to enhance their management capacity." Universities will be another focus of ACBF activities.

Backing regional institutions is also a key element of the strategy, Frimpong-Ansah says. One example is the African Centre for Monetary Studies in Dakar, set up by the Association of African Central Banks. He said that the centre, "if adequately enhanced in coordination with the needs of central banks, could help all the central banks in Africa."

Acknowledging the need to get more African professionals to return home from abroad, Frimpong-Ansah argues, however, that providing special incentives for them discriminates against those who chose to stay. The ACBF fund, he says, will make a special effort to involve African professionals abroad in its seminars and training programmes. On reversing the brain drain, Frimpong-Ansah feels that with widespread economic liberalization, "and hopefully with the political liberalization that is bound to follow, Africans will not need as much money as they are receiving outside to be attracted back."

Colleen Lowe Morna

ECA ministers

from page 1

articles of the International Monetary Fund (IMF) and World Bank to permit rescheduling of their debt, a delinking of debt relief from structural adjustment conditionality, support for efforts to diversify African economies away from an exclusive reliance on primary commodities and a "substantial" increase in financial assistance to Africa.

To improve the agenda's chances of implementation, the ministers proposed a more streamlined and higher-level monitoring committee than was the case with UNPAAERD, which was overseen by the UN General Assembly itself. The committee would also permit more direct involvement by governments in the follow-up process. It would be formed by an equal number of representatives from the ECA Conference of Ministers and the Development Assistance Committee of the Organization for Economic Cooperation and Development. In addition, a group of eminent persons from Africa and the international community would be appointed by the UN General Assembly on the ECA Conference of Ministers' recommendation.

In his statement to the meeting, UN Secretary-General Javier Pérez de Cuéllar highlighted the importance of "charting new directions for greater and more effective cooperation. To meet the challenges, Africa needs a much greater focus of attention and substantially increased support from the international community."

Organization of African Unity (OAU) Secretary-General Salim Salim, in a message delivered to the conference, stressed that whatever support is provided by Africa's development partners, it should be designed in such a way as to enable Africa to pull itself out of the crisis.

The new agenda proposed by the ministers would include a continuing recognition by Africa that it has no alternative but to urgently pursue economic reforms. However, a process of sustainable growth and development cannot be set in motion through the orthodox structural adjustment programmes recommended by the IMF and World Bank, programmes that have incurred both social and economic costs, the ministers insisted. Instead, they pointed to the African Alternative Framework to Structural Adjustment Programmes (AAF-SAP), drafted by the ECA and adopted by the OAU in 1989, as a guide to Africa's long-term economic transformation.

The meeting cited the existence of AAF-SAP, the 1980 Lagos Plan of Action, the 1990 African Charter for Popular Participation in Development and Transformation and other documents as proof that Africa does not lack strategies and policy frameworks, and therefore should resist the temptation to draft new ones. What Africa needs to do is implement the existing plans and translate them into operational programmes.

Underlying all the existing African strategies, Mr. Adedeji said, was "the cardinal principle that the attainment of self-sustained development, which is human-centred and which aims at the integration of the African economies, required the adoption of long-term and medium-term plans."

For the continent's recovery and development efforts to succeed, said the ministers, African countries will need to keep the improvement of living conditions and development of human resources at the centre of their development plans, intensify the democratization process, and promote greater intra-African cooperation.

In closing the conference, the Chairman, Mr. John Chizu of Zambia, argued that "there is no other way out except for African countries to come together as an integrated force to promote their own destiny." Tanzania's Minister of State for Planning Kighoma Malima saw the process of integrating Africa's economies as a means of "decolonizing" the continent economically from the inherited structures that have been responsible for Africa's underdevelopment.

The African ministers' assessment of UNPAAERD was issued in the form of a memorandum, which will be the basis for an African submission to the final review of the Programme by the UN General Assembly later this year. The Assembly will also have an assessment of UNPAAERD being prepared by the UN Secretary-General.

In their memorandum, the ministers observed that when UNPAAERD was first adopted at a special session of the UN General Assembly in 1986, the Programme represented a "truly unique opportunity" to focus world attention on Africa's plight. As part of the "novel compact" represented by UNPAAERD, African countries committed themselves to mobilizing their own resour-

United Nations

ECA Executive Secretary Adebayo Adedeji, warned that a renewed UNPAAERD could remove Africa's main concerns from those of the world community.

"To meet the challenges, Africa needs a much greater focus of attention and substantially increased support from the international community."

Javier Pérez de Cuéllar
UN Secretary-General

Africa's record under UNPAAERD

/er the five-year period of the UN Programme, according to the ECA Conference of Ministers:

- A large majority of African countries undertook far-reaching economic policy reforms.
- Significant progress towards political democratization took place in at least 30 countries.
- Structural adjustment programmes incurred great economic and social costs and hampered long-term development goals.
- Net resource flows into Africa declined in real terms from $25.9 bn a year to $22.6 bn, against a target of some $35 bn.
- Africa's terms of trade fell by one-third.

ces and carrying through essential economic reforms, while the international community pledged to provide additional financial resources to support those efforts.

The overwhelming majority of African countries implemented far-reaching and politically risky policy reforms, noted the African ministers. In addition, in the latter part of the UNPAAERD period, there occurred "significant change towards the democratization of political and economic life and consolidation of the democratic process, affecting no less than 30 of our countries."

Despite the numerous positive achievements in Africa, one handicap the continent faced in the years of the UN Programme, according to the ministers' memorandum, was that many countries were unable to adequately implement policies aimed at the medium- and long-term structural transformation of their economies.

Constraints on UNPAAERD

In part, this was because the short-term structural adjustment programmes supported by the IMF and World Bank "often had the result of hampering the achievement of some objectives" of UNPAAERD. Not only were these programmes not sufficient for attaining longer-term development goals, but they often incurred "great economic and social costs as well as political risks."

Repeated devaluations, across-the-board economic liberalization and high interest rates, conference participants asserted, often fuelled inflation, discouraged domestic production and diverted savings to speculative activities. The Kenyan representative observed that food price hikes, without simultaneous wage increases, hurt the urban poor, while trade liberalization sometimes caused local fledgling industries to collapse, bringing more unemployment.

Mr. Hassan Sunmonu, Secretary-General of the Organization of African Trade Union Unity (OATUU), was particularly scathing in his criticisms of IMF/World Bank adjustment programmes, which not only incurred economic and social costs, he said, but also a loss of sovereignty. The aims of adjustment programmes should be defined by Africa itself, not imposed by outside sources, he said.

African governments, Mr. Sunmonu added, should reduce their military spending by half, and use the estimated $3.7 bn saved in this way for strengthening human resources and for research and development. Referring to the African Charter for Popular Participation, the OATUU Secretary-General emphasized that human and trade union rights in Africa should not only be protected, but violations should be also punished. For this purpose, he suggested monitoring mechanisms should be set up at national and regional levels.

Agriculture has been a priority area for action under UNPAAERD.

Although internal factors played a role in Africa's poor economic performance, it was external constraints which constituted the main obstacle to recovery, the meeting concluded. "Our own efforts and sacrifices have not been matched by an equal effort on the part of our partners," said the ministers.

In UNPAAERD, it was estimated that Africa would require an average of $9.1 bn a year in additional financial resources, on top of the net flow of resources prevailing at the time ($25.9 bn). But instead, the African ministers pointed out, total net resource flows to Africa actually declined during the Programme period, falling to $22.6 bn by 1989, in real terms. This was despite an increase in financial support for Africa by the multilateral institutions, including the UN agencies.

"Our own efforts and sacrifices have not been matched by an equal effort on the part of our partners."

ECA Conference of Ministers

Official development assistance stagnated in real terms over 1986-90, while private foreign investment declined sharply and debt servicing payments rose. Moreover, noted the ministers, Africa's efforts to boost export earnings were undone by a drastic deterioration in its terms of trade, which fell by one-third over the five-year period.

While a number of new debt relief initiatives have been unveiled in recent years, Mr. Pérez de Cuéllar observed in his message to the conference, "the severe conditionalities attached, and the long and complex negotiations usually involved, have seriously constrained the effectiveness of these initiatives and made the possible benefits that can accrue from them beyond the reach of most debtor countries."

Poor commodity prices

Moreover, noted Mr. Adedeji, whatever advantages African countries obtained from the cancellation of part of their debt quickly evaporated through lost earnings from the collapse of primary commodity prices on the world market. "Thus," he said, "what the debtor nations gain in the wind of debt cancellation, they lose and lose much more in the whirlwind of persistent and sharp falls in the prices of export commodities."

These experiences have highlighted the importance of undertaking structural transformations, Mr. Adedeji said, so that African economies can develop their internal capacities to respond to external shocks.

It will also be essential for Africa to continue pursuing the "bright star" of the pro-democracy movement, Mr. Adedeji said. "There is no doubt that sooner or later the whole continent will be covered by it and, when this happens, we will be heralding the birth of a new Africa — where democracy, public accountability, the political and economic empowerment of the people and equity and justice prevail."

Nevertheless, warned Mr. Salim, Africa's fragile democratic movements will not be able to survive if the continent's economic and social conditions remain equally fragile. ■

Makonnen Haile is Deputy Editor-in-Chief of the Ethiopian Herald.

SUCCESSES AND FAILURES ASSESSED

UN role in African crises debated

Success stories as well as failures have marked UN efforts to help Africa overcome its decade-old economic crisis, concluded participants at a North-South Roundtable meeting in New York in February. Co-chaired by Botswana Ambassador Legwaila J. Legwaila and UNICEF Deputy Executive Director Richard Jolly, senior UN officials addressed an audience of ambassadors, other diplomats and officials on their experience of UN efforts in Africa.

Canadian Maurice Strong, presently Secretary-General of the UN Conference on Environment and Development, drew a number of important lessons from his period as Executive Coordinator of the Office for Emergency Operations in Africa (OEOA), widely seen as one of the most effective UN endeavours in the region.

Plenty of failures had preceded OEOA's success, Mr. Strong pointed out. Hundreds of thousands of people died before the office was established, he said, partly because UN organizations feared treading on each other's toes. The UN Disaster Relief Organization (UNDRO), which has the initial mandate to take on relief measures, was also equipped to deal only with small emergencies.

The UN system then waited too long before recognizing the complexities of emergencies like the 1984-85 famine and launching a more universal effort, Mr. Strong argued. He said that the whole concept of disaster relief within the UN needed to be rethought. At the same time, it was vital that famine be seen as a developmental crisis, Mr. Strong asserted. The possible impact of desertification, falling output and political conflict, recession in industrialized countries on famine-prone areas all needed to be closely monitored in order to avoid the heavy initial tolls in human life that invariably occur.

The Botswana Ambassador Mr. Legwaila J. Legwaila chaired the discussions.

Ambassador Legwaila pointed out that "there is no year when there isn't an emergency or calamity in Africa. The UN can't say it was caught unawares whenever a famine hits. Botswana has a standing committee which is always monitoring the food situation, and we never get into crises. The UN should now be the most experienced institution as far as emergencies are concerned, and should never have to say it was caught by surprise."

As for reasons behind OEOA's success, Mr. Strong listed the personal involvement of senior UN agency officials and the fast decision-making and successful coordination which therefore resulted. OEOA's coordination, in particular, still remains a model to be emulated. A computerized data base provided the most up-to-date information for governments, UN and non-governmental organizations (NGOs) on country needs, supply lines and port congestion. And a concerted fund-raising drive raised $4 bn over two years for the 20 or so countries needing emergency assistance.

Ms. Ruth Engo, Senior Liaison Officer with the Africa Recovery Programme's Steering Committee, said both OEOA and the UN Special Session on Africa in 1986 crystallized international solidarity behind the region. Their mobilization of NGO involvement, energy and resources was a critical element, along with strong leadership, in their success. However, this success did not continue into the UN Programme of Action for African Economic Recovery and Development (UNPAAERD) because the General Assembly failed to provide resources for the full-scale monitoring and follow-up that was needed.

She said UNPAAERD's strength was its base in an African programme, not on others' perceptions of the region's problems. But the programme period of five years was much too short: there were no magic wands for the complex problems underlying Africa's disadvantaged position in the world economy. But the major reason for the lack of success was that whatever increased resources were made available to Africa were targeted to priorities other than UNPAAERD's. Ms. Engo, a former consultant to the UN Development Fund for Women (UNIFEM), argued that increasing food production had to continue as Africa's first priority, and the continuing absence of women's policy input into that sector, and within the UNPAAERD follow-up, was one reason for lack of progress.

Ms. Engo's comment that "other agendas" had overtaken UNPAAERD priorities, was strongly endorsed by Ambassador Stephen Lewis, who was chairman of the 1986 Special Session and is currently Special Adviser to the UN Secretary-General on the Africa Recovery Programme. The greatest impediment to the success of UNPAAERD, he said, was that the resources the international financial institutions mobilized for Africa were used for their own agenda, rather than for the priorities so carefully worked out for UNPAAERD. The UN had been eclipsed, its role usurped by the international financial institutions, he argued.

One reason for UNPAAERD's lack of success was that the resources mobilized by international financial institutions to support Africa were used for their own priorities rather than those carefully worked out at the UN Special Session.

Ambassador Stephen Lewis

UNPAAERD has been a profound disappointment for many, Mr. Lewis argued, with 100 million people in Africa now "food insecure." The UNPAAERD Steering Committee had not worked effectively, in significant part because the UN conferred many responsibilities on its Director-General without providing the office with either the resources or the authority required. And there was little coordination by the UN agencies on their actions on behalf of Africa, he continued.

The UNPAAERD Secretariat also had little money, and the profile of UNPAAERD was never raised even within the UN community. Even the very successful Africa Recovery information work was never adequately funded, he said, and hoped that

Africa support

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at more remunerative levels; on reducing the burden of external debt, which has grown eight-fold since 1976 and eats up resources desperately needed for development; on easier access to donor markets for manufactured goods; on increasing resources for macro-economic reforms, without which they will not succeed; and an easing of the tough conditions imposed on donor assistance.

The donors, for their part, argue that much of previous aid was wasted because of inappropriate African policies. Many donors also link such reforms with the need for political reform as a necessary part of a recovery agenda.

On the crucial question of commodity prices, they are reluctant to interfere in any significant way with market mechanisms, which they feel provide the best hope for overall economic growth. Most donors are faced with severe budgetary constraints and argue that they cannot easily provide the increased resources Africa needs.

The review will also take place against the backdrop of the donors' increasing preoccupation with developments in, for them, more strategic regions — the Middle East, Eastern Europe and the Soviet Union.

Despite these differences, Ambassador Huslid is convinced that industrialized countries on the whole would consider it "morally indefensible" not to pay special attention to Africa. They also recognize that it will be an "insecure world" as long as such large-scale poverty continues to exist.

While it will not be easy to find the common ground between Africa and the international community on these and other issues, in electing Ambassador Huslid, UN member states ensured that they had chosen a man with long and intimate knowledge of global economic issues, experienced in high-level intergovernmental negotiations.

Over the last decade and a half, the Ambassador has headed or advised Norway's delegations to a large number of intergovernmental conferences on both trade and development: he has several times led Norway's delegation to the quadrennial UN Conference on Trade and Development (UNCTAD) and most recently, at UNCTAD VII, was Chairman of the Committee on Least Developed Countries. In discussions at the General Agreement on Tariffs and Trade (GATT), he was chairman from 1984 to 1989 of the Subcommittee on Trade of Least Developed Countries, and has twice been chairman of panels in dispute settlements. In 1986, he became the first chairman of the International Labour Organization's Committee on Employment, and in 1987 was the chairman of the UN General Assembly's Committee of the Whole for the International Conference on the Relationship between Disarmament and Development.

Ambassador Huslid became more intimate with Africa's special concerns when Secretary-General Javier Pérez de Cuéllar appointed him to his expert group on African Commodity Problems, which was chaired by former Australian Prime Minister Malcolm Fraser. In that capacity, he visited a number of African countries and became aware of how contentious is the economic debate between the continent and the donors.

"That exercise gave me a heightened sense of the complexities involved, not least of the difficulty of getting a group of 16 well-intentioned and well-informed persons from different parts of the world to look at issues in the same way," he says. Indeed, Ambassador Huslid's signature to the report was accompanied by a letter indicating that the final report did not fully address the need for cooperation between exporters themselves and between exporters and importers; and for a Diversification Fund for Africa.

His work and travel for the Fraser group also made clear to him that "many of the goals of the Africa Recovery Programme were not reached," he acknowledges. "But the Programme's time-frame of five years was much too short to engineer the kind of transformation that is needed."

He points to one weakness in the Recovery Programme: the absence of an intergovernmental body to monitor and drive the implementation of the agreed measures. "Governments must be drawn more directly into the follow-up of whatever the General Assembly agrees upon this time around," he says. "That is the best way to ensure that governments constantly keep in mind the commitments they have made to ensure African recovery."

Ambassador Huslid has his work cut out to secure a meaningful consensus. He brings boundless energy and an engaging open-mindedness, as well as vast experience, to the job in hand. He makes clear just how daunting such a task is. But, equally he voices his strong optimism that present obstacles will be overcome to ensure a fruitful outcome to the Ad Hoc Committee's work, one which can bring a fresh impetus to African recovery efforts. ■

Ambassadors Dr. Marjorie Thorpe, from Trinidad and Tobago, and Pakistan's Mr. Jamsheed Marker, are Ad Hoc Committee Vice Chairpersons. Benin's Mr. Ayité Kpakpo (right) is Rapporteur.

UN role

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appropriate UN officials were paying attention to this fact for the future.

The one concrete success, Mr. Lewis claimed, was the UN's Inter-Agency Task Force on Africa. This group kept in touch with developments on the ground, articulated Africa's concerns brilliantly and supported several historic initiatives, including the African Alternative Framework to Structural Adjustment Programmes (AAF-SAP), the Arusha charter for popular participation and an active programme of conferences on vital issues such as economic policy reforms and human resources development.

The key to any successful UN effort to support African development had to be rigorous coordination and forceful leadership from the UN Secretariat and from the officials and bodies who were appointed to attend to what was a priority for the General Assembly, Mr. Lewis argued.

Ambassador Legwaila concluded the podium presentations by commenting that "the hopes that were raised by the promise of 1986 were not met. African countries took enormous steps to undertake structural adjustment procedures, with some governments even risking political instability and coups d'état. But the other side [donors] did not keep to its part of the compact." ■

Economic unity

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regional communities and then on a continent-wide basis. Customs duties and non-tariff barriers should be relaxed and eventually eliminated, leading to the creation of free trade areas. ECOWAS has already begun to move in this direction, with the aim of phasing out all tariffs by the year 2000.

According to the treaty, member states of the Community should not give any more favourable trade terms to non-Community members than they do to each other (most-favoured-nation status). The regional groupings and finally the Community as a whole would likewise adopt common trade policies towards countries outside Africa, and establish common external customs tariffs.

The treaty addresses the fears of Africa's smaller and weaker economies that across-the-board trade liberalization might hurt them and favour those countries that already have stronger industrial capacities. Safeguard provisions therefore would allow the protection of "infant industries" and control of strategic products, while the practice of dumping would be prohibited within the Community. These are standard clauses that can be found in any regional integration treaty in Africa, says Mr. Martin, and are designed to take into account "inequalities in the distribution of costs and benefits" resulting from integration measures.

"No country, no matter how big, can really go it alone in the world we are entering in the 1990s."

Adebayo Adedeji
Economic Commission for Africa

In conjunction with broader steps to ease currency and financial exchanges, trade transactions would be facilitated by a liberalization of payments among African countries through a strengthening of regional clearing houses and their integration into an African Clearing and Payments House. Four of the existing regional economic groupings already have such facilities, although their record has been discouraging until recently.

Industry and infrastructure

The creation of larger, regional markets is expected to provide some stimulus to enhanced production in key sectors. But the OAU also foresees the need for African countries to collaborate directly in the promotion of joint industrial development projects and the formation of African multinational enterprises. Priority industries specifically mentioned in the draft treaty include those based on food and agriculture, construction, chemicals, and textiles and leather.

Africa Report/Andre Astrow

Senegal's President Abdou Diouf: African countries must create common markets, accept limitations on sovereignty and achieve a political federation.

A particular emphasis is put on promoting small-scale industries and intermediate industries that have strong linkages to other sectors, thus enhancing the local content of industrial production within the Community. Regional industries will be set up where "construction cost and volume of production exceed national financial and absorptive capacities." Joint undertakings in energy, transport and communications are also seen as vital.

Strengthening the private sector

To strengthen the participation of the African private sector in regional industrialization and development efforts, the draft treaty includes provisions for the coordinated establishment of stock markets and for the free movement of capital within the Community, among other measures. Mr. Adedeji stresses the particular importance of involving local Chambers of Commerce in the economic integration process. He cited the example of ECOWAS, where such involvement helped pave the way for the establishment in 1988 of Ecobank.

So that industrialization efforts do not harm the environment, the policies and programmes of individual countries and the Community as a whole should be "ecologically rational, economically sound and socially acceptable," says the draft treaty. Countries should also cooperate more closely in the development of river and lake basins and should harmonize their agricultural development strategies.

Taking into account the special economic and social difficulties of Africa's least developed countries, as well as the land-locked and island states, the Community would recognize the need to accord them "special treatment." This could include temporary exemptions from the full application of some treaty provisions and assistance from a new Solidarity, Development and Compensation Fund. Botswana, Lesotho, Namibia and Swaziland, which are now part of the Southern African Customs Union with South Africa, would likewise be granted temporary exemption from some treaty provisions on the basis of their "exceptional situation."

Human rights, popular participation

As a prerequisite for Africa's successful economic development, the treaty stresses as one of its fundamental principles "the promotion of a peaceful environment." Closely linked to this, it says, is the "respect, promotion and protection of human and peoples' rights," in accordance with the provisions of the African Charter on Human and Peoples' Rights adopted by the OAU in 1981.

Another principle emphasized in the treaty is the promotion of "accountability, economic justice and popular participation in development." The Community is to seek the cooperation of African non-governmental organizations in order to involve the peoples of Africa in the process of economic integration and to mobilize their skills and financial support. Women especially must be more actively drawn into the development process and member states are urged to adopt policies to improve women's economic, social and cultural conditions.

One of the major weaknesses thus far of the preparatory process for the African Economic Community is that it has been "a governmental exercise," according to Mr. Adedeji. "There is very little known about it or very little involvement by the people, the grassroots, the non-governmental organizations, the economic operators who really get things done."

So in addition to follow-up measures by African governments themselves, Mr. Adedeji has suggested that each country establish a national committee on economic integration, involving the private sector, universities, trade unions, the media and others. Popular involvement in such pressure groups, he says, can help build up a "body of opinion" in favour of economic integration, and thus add further momentum to the establishment of the Community. ■

Tough Times

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mercial banking sector. Mr. Pay-Pay wa Syakassighe pointed out the constraint on proceeding with privatization plans when there was no institutional mechanism for transferring company assets. He also said there was no guarantee that the private sector "would pick up the slack" when the government withdrew from an area of economic activity.

Demand management could similarly have adverse consequences, Mr. Rutihinda argued. For example, "credit squeeze has tended to stifle growth," he suggested. Mr. Mullei agreed, asserting that "the cost of income dampening can be very high."

Mr. Mullei's assertion reflected a wide concern over the social impact of adjustment. Bretton Woods officials stressed that the needs of vulnerable groups had to be taken into account in the formulation of adjustment programmes. Mr. Boorman argued that the new generation of SAPs were reflecting this — by redeployment and training schemes in programmes where extensive public service cutbacks were planned, for example. But Mr. Turay still questioned whether the social alleviation measures were adequate.

Debt the major threat

Debt represented "the greatest threat to African economic recovery," Mr. Teriba argued. To be successful, SAPs required a solution to the region's indebtedness and assured future funding, Mr. Turay argued. Mr. Rutihinda stressed that early efforts at reform in Tanzania had been affected by inadequate financial inflows.

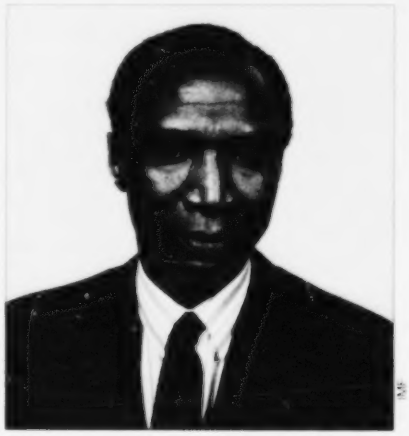
Mr. Camdessus acknowledged that debt relief could be of "critical importance" to a country's adjustment efforts. There was general consensus that the proposal for cancelling two-thirds of the debt of some low-income countries put forward by UK Prime Minister John Major — the so-called Trinidad Terms — represented a significant advance on the generally disappointing level of debt relief offered under the Toronto agreement. The proposal by Dutch Development Cooperation Minister Jan Pronk that all the official bilateral debt of the least-developed countries be written-off would represent even more significant progress for Africa, many participants observed.

Hopes have risen that new debt relief measures will be agreed soon (see page 4), but even the new UK proposals could fall short of what is required, UNCTAD's F. Abbate told the symposium. A very high rate of export growth — of some 8 per cent a year — would be needed to bring the average debt service ratio below 20 per cent under the Trinidad terms, Mr. Abbate told the meeting. For many countries, additional measures, including action by non-Paris Club creditors and the rescheduling of multilateral debt, was needed if the debt payments burden was to be signficantly reduced.

To date, debt relief for Africa "amounts to marginal trimming of the remote outer branches of the problem and not hacking away at its roots," according to Percy Mistry, vice-chairman of the International Development Centre at Oxford University. Action was needed on multilateral and commercial debt, he stressed, as well as more progress on official bilateral debt. He suggested that creditor governments should claw-back tax relief offered to banks making bad loan provisions, where that was not translated into debt write-offs within a specified time.

Financing growth

Prospects for resource flows to Africa are universally depressing, participants at the symposium agreed. Despite general agreement that adequate funding for adjustment programmes was crucial, aid prospects "are not encouraging," Mr. Camdessus said, with "only a modest nominal rise" expected by the Fund during the 1990s.



Abdul Turay, Governor of the Bank of Sierra Leone and chairman of the Association of African Central Banks, co-sponsors of the symposium.

Other flows are also expected to show only modest improvements at best. "The prospects for foreign investment in Africa are exceptionally poor," according to Robert Berg, President of the New York-based International Development Conference. Ethiopian central bank governor Bekele Tamirat made the same point, adding that there were also no grounds for optimism on the trade front, with UNCTAD and the ECA pointing to exceptionally poor commodity prospects in the face of protectionism.

Mr. Maruping echoed the situation of many others when he said that his country's largely successful reform efforts were now threatened by a combination of external and other factors outside its control — higher oil prices earlier this year, drought and the general global slowdown.

It was in this context that most delegates stressed the importance of mobilizing domestic resources for investment. Mr. Killick, however, noted the need to address the issue of productivity in the use of resources through financial and institutional reforms and the development of human capital. "There is little point in channelling more to countries that do not meet minimum standards for productive utilization," he argued.

Tanzania's experience showed that deep cuts in the value of the currency did not yield the expected results quickly because of rigidities in the country's economy.

Gilman Rutihinda
Governor, Bank of Tanzania

There was overall consensus on the need for macro-economic management that would tackle the related issues of fiscal imbalances, price distortions, productivity and efficiency, production rigidities and supply constraints, as well as the wider social impact of adjustment. Many emphasized the length of time reforms would take and the implication this had for policy implementation, especially as the reform package shifted from simple stabilization to the wider task of structural transformation and sustainable development.

The precise balance remains a point of controversy, as does the nature and extent of action on the international front which is a necessary complement to domestic efforts. Nevertheless, participants agreed that external factors would play an important part in making Africa's task harder or easier.

The scale of that task also came through clearly. As Mr. Berg said: "The main development challenge is not reform of the external sector, pricing, and the public sector, valid as these issues are, but of survival," and the fundamental issues to be addressed are population, environment and food production. ■

AFRICA IN BRIEF

New funding options for Zambia

Zambia is re-opening avenues to much-needed international finance following the clearing of arrears with the World Bank and new moves on its arrears with the International Monetary Fund (IMF).

After lengthy negotiations, Zambia's $319 mn arrears to the Bank were cleared on 14 March with a combination of funds from the US, Finland, Norway and the Netherlands, and an interest-free, $200 mn bridging loan from the Bank of England (central bank).

Then at the 19 March consultative group meeting in Paris, a wider range of donors pledged $650 mn in new funding for Zambia's reform programme, with slightly over half in direct balance of payments support. Last year, donors pledged $450 mn and gave relief on Zambia's official bilateral debt. Further relief is expected at a Paris Club meeting later this year.

Mr. Gibson Chigaga, who as finance minister had led Zambia's highly successful negotiations with donors in Paris, died on his return to Lusaka.

In mid-April the IMF approved a programme under which Zambia will accumulate credits against its $1.3 bn arrears to the Fund. This is the first use of the "rights approach" agreed last year, which allows a country to gradually accumulate drawing rights under a Fund lending facility, provided it meets performance targets. Zambia will have to stay current on its interest payments to the Fund — of some $200 mn a year — while earning credits over a three-year period up to a maximum of SDR836.9 mn, equivalent to its arrears to the Fund as of 1 July 1990, which amounted to $1.138 bn. If all goes as planned and arrears are paid, the accumulated rights can be "encashed" and Zambia would then be eligible for further IMF lending.

EC rebuff for ACP ministers

Ministers from African, Caribbean and Pacific (ACP) countries met recently with their European Community (EC) counterparts but made no progress on key issues of debt, trade and commodity prices.

EC ministers rejected proposals to cancel $1.8 bn of ACP debt to the EC and convert an equivalent amount into grants. Cancellation of all ACP debt incurred through the Lomé Convention is supported by the European Commission, the EC's executive body, and the debt is seen as tiny compared to total ACP debts of $270 bn. EC countries reportedly fear that debt cancellation for the 69-member ACP group would set an unwelcome precedent, and instead argue for a case-by-case approach linked to the state of ACP country economic reform programmes.

Another difference surfaced between the European Commission and EC countries over compensation levels for ACP losses on sugar exports. The Commission had proposed a $36 mn compensation package for falling ACP earnings from the 1.3 mn tonnes of sugar sold to the EC each year. The EC pays above-market prices to sugar producers in European and ACP countries, but has frozen or cut these prices in recent years. EC agriculture ministers have opposed using the EC farm subsidies budget to finance the compensation, fearing that any linkage to falling prices could lead to similar demands from EC farmers.

On trade, ACP countries expressed concern that the Lomé Convention was being "emptied of the essential part of its content". Rwandan Planning Minister Augustin Ngirabatware, current president of the ACP Council of Ministers, noted that the preferential access to EC markets granted to ACP countries was being extended to other developing countries, notably in North Africa and Latin America.

Mr. Ngirabatware also criticized EC countries for their slowness in ratifying the fourth Convention, signed in December 1989 but yet to come into force. ■

UK aid flows are declining

Aid flows from the United Kingdom are among the lowest, in terms of national wealth, from major donor countries, and could fall further, according to a recent review by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development. In 1989, net official development assistance (ODA) from the UK was just 0.31 per cent of its GNP, down from 0.32 per cent in 1988. Only five countries — Switzerland, Austria, New Zealand, Ireland and the US — had lower proportional allocations, although in terms of total aid, UK aid was sixth highest of the 16 DAC member countries.

UK aid rose marginally by an average 1.1 per cent a year in the 1984-89 period, much lower than average economic growth. But in the preceding period, from 1979 to 1984, UK aid had fallen sharply in real terms, by an average 6 per cent annually. The result was an overall decline in UK aid flows in real terms during the 1980s.

Current UK plans for foreign aid in the period to 1994, said DAC, indicate only a slight increase in real terms, and a further decline in terms of GNP. DAC continues to urge the UK to make faster progress towards the UN target of allocating 0.7 per cent of GNP to development aid. It said in April this year that a significant increase in UK aid would help other donors to gain public support for sustained or increased aid flows. DAC had voiced similar concerns in its 1988 review of UK aid.

The committee commended the quality of the UK bilateral aid programme — highly concessional and focused on the poorest countries — but noted that the UK also has one of the highest proportions of tied aid among DAC member countries. DAC nevertheless said the UK "could and should" do more to liberalize its policies and practices on tied aid. It also warned that trade-related aid could increase the number of defective projects. ■

Unions push for AAF-SAP

Trade unionists from across Africa, meeting in Addis Ababa on 21-23 March, urged African governments to abandon the "doctrinaire and inhuman" structural adjustment programmes advocated by the International Monetary Fund and World Bank. Instead, they called for alternative programmes, based on the African Alternative Framework to Structural Adjustment Programmes (AAF-SAP).

"The overall economic performance of the African region has continued to deteriorate," said the statement issued at the close of the seminar, which was sponsored by the ECA, the Organization of African Trade Union Unity (OATUU) and the International Labour Organization (ILO).

Stressing the need to stimulate national debate on adjust-

ment policies, the union leaders endorsed the African Charter on Popular Participation in Development. African governments and people, they said, now had to translate the prescriptions of the Charter into concrete actions at the national level. ■

Egypt gets donor backing

International Monetary Fund (IMF) Managing Director Michel Camdessus visited Cairo from 11-15 May, a move seen by both sides as symbolic of the importance attached to the new aura of accord after years of dispute. The visit "marks a new beginning," one official declared, and was timed to coincide with IMF approval of a new 18-month standby facility for Egypt, worth some $372 mn.

Backing the IMF money is a $300 mn structural adjustment loan from the World Bank, expected to be approved in June, and a $400 mn fund to help alleviate the social costs of adjustment, jointly financed by the World Bank, African Development Bank, European Community (EC), and the Gulf Cooperation Council. New bilateral credits have also been received or are expected from the Gulf states, Japan and the EC. In addition, Egypt is expected to be the first African recipient of more generous debt relief from Western creditors.

Already the US has announced its intention to cancel $7 bn of military debt, and Arab donors have reportedly cancelled another $6 bn.

The package will help meet the high cost of the Gulf War to Egypt, as well as helping to ease the burden of adjustment. The latter is expected to be particularly heavy. The IMF deal requires further liberalization of exchange and interest rates, cuts in subsidies, a new sales tax and a lower budget deficit. Sharp price increases have already been announced for petrol and electricity, and the other measures are expected to hit employment at a time when over half a million workers have been forced to return from the Gulf. ■

New summit held in Abidjan

Calls for a special session of the United Nations on fair prices for African export commodities, for cancellation of sub-Saharan Africa's official debt, and for continued sanctions against South Africa marked the end of the First African/African-American Summit, held in Abidjan, Côte d'Ivoire, in April.

US delegates promised to seek cancellation of all sub-Saharan bilateral debt owed to the US, while William Gray III, a Democrat in the US Congress, said the Congressional Black Caucus would also try to get an additional $200 mn in development aid allocated to sub-Saharan Africa in 1992.

"We say to Americans, if you can cancel debt for Poland and Egypt, you can cancel it for sub-Saharan Africa", declared Reverend Leon Sullivan, convener and organizer of the conference. The presidents of Botswana, Burkina Faso, Côte d'Ivoire, Gambia, and Guinea Bissau were among the 1,000 participants. US Assistant Secretary of State for African Affairs Herman Cohen read a message from President Bush.

One popular resolution proposed dual citizenship for African-Americans in African countries. The conference decided to set up a permanent secretariat and hold summits every two years. ■

End to hunger within reach

With death from hunger currently threatening nearly 30 million Africans, there was great urgency to the discussions during the early April annual Hunger Research Briefing at Brown University, in Rhode Island, US, which centred on how to accelerate and improve implementation of the four goals of the Bellagio Declaration on

Adjustment hurts African farmers — ILO

African agriculture has taken a severe beating from structural adjustment despite efforts to shift policies in its favour, indicate recent studies by the International Labour Organization (ILO). An ILO meeting in Geneva last year urged that policies designed to stimulate growth should now assign a central role to rural development, with countries also making poverty-reduction a yardstick of success.

Adjustment policies, which usually involve currency devaluation, cuts in government spending and price liberalization, have often aggravated poverty and income inequalities, the ILO studies argue. Any shift in resources towards agriculture has mainly favoured large farmers to the disadvantage of small farmers and the landless labourers who have to buy their food, says the ILO.

The relative openness of Africa's agricultural sector — which provides more than half of the continent's export earnings — makes it particularly vulnerable to fluctuations in world prices. In 1987, sub-Saharan Africa exported about 30 per cent of its agricultural production compared to only 6 per cent for South Asia, for example. This vulnerability is worsened by African countries' dependence on one or two export commodities, and efforts to raise rural incomes can be quickly undermined.

Even when prices have shifted favourably farmers have not been able to respond, the ILO suggests. Many lack efficient tools and fertilisers. A shortage of investment in infrastructure and technology, as well as insufficient credit and poor marketing have also neutralized the impact of any higher crop prices.

Ultimately, the aim must be to diversify out of traditional exports, the ILO says. But this can only be done by using resources generated from existing exports to create jobs and expand internal markets. The development of the food sector becomes crucial. Not only does it lower import bills — Africa's food imports have been rising — it also encourages agro-based industrialization.

The ILO calls for policies which promote labour-intensive growth, productive investment in rural areas, socially and environmentally sustainable development strategies, and innovative forms of organization in rural areas.

These new policies would have to provide for real increases in allocations to agriculture, ensure adequate prices for agricultural products, and help alleviate rural poverty.

However, such policies also require more resources than African countries can command, the ILO points out. The international community, therefore, should play a more active role by, for example, cancelling the debt of the poorest African countries, opening markets to developing country exports, and reversing the flow of resources out of Africa.

A major domestic condition is to make access to resources, decision-making and information more democratic. Much of the rural labour force is unorganized and unprotected. In particular, womens' organizations need to be involved in designing new income-generating programmes, since it is mainly rural women who suffer the negative effects of adjustment, the ILO argues.

Overcoming World Hunger in the 1990s. The goals were set at a conference of non-governmental organizations, scientists and policy-makers in Bellagio, Italy in 1989.

The first goal — eliminating all famine deaths before the year 2000 — encouraged participants at the Briefing to draw lessons from the 1988 UN Operation Lifeline Sudan, such as the need for better cooperation between aid agencies to minimize harmful "turf wars", and the need to ensure aid for stricken civilian populations.

The second Bellagio goal of ending hunger in half the poorest households led participants to propose special Food Funds in food-deficit countries, loans from which would directly benefit the poor.

Participants felt that last year's World Summit for Children had given particular impetus to implementation of the third and fourth Bellagio goals — cutting malnutrition among women and children in half, and eradicating iodine and vitamin A deficiencies.

Attaining the Bellagio goals could cost less than $10 bn a year in external resources, said participants, adding that such funds could be raised if there was more cooperation in getting political leaders to attack world hunger with greater urgency. ■

Namibia woos investors

Namibia hosted a well-attended investor conference on 3-6 February, but no new investments were announced. Still, as Zambian businesswoman and African Development Bank representative Cathy Mwanamwambwa said to loud applause, "most of us will be back", *writes Colleen Lowe Morna in Windhoek.*

Beside 300 local businesspeople, some 120 foreign companies were represented, some from Sweden, Germany, Japan, the US and UK. Several others came from South Africa, reflecting its continuing interests in Namibia's economy.

Namibia was praised for its positive signals to investors, such as the new investment code which permits unrestricted transfers of dividends. Although clearly impressed by Namibia's potential, some investors were waiting for definition of government policies on land and labour issues. ■

US blocks IFC capital rise

A request by the World Bank's private-sector lending arm, the International Finance Corporation (IFC), for a doubling of its $1.3 bn capital is being blocked by the US, despite strong support from other leading Western countries. The US voiced its opposition at the end-April meeting of the joint Development Committee of the Bank and the International Monetary Fund. The US, the largest single shareholder in the World Bank group, has sufficient votes to block any proposed increase.

The US believes that the World Bank itself should embark on a policy of direct lending to the private sector, without government guarantees as its articles now require. It argues that such a shift is necessitated by the growing trend toward privatization and private sector promotion in many developing countries. Washington has suggested that half of all lending by the World Bank group, including the IFC, be aimed at the private sector by 1995.

World Bank officials worry, however, that if the Bank lends directly to private companies, without state guarantees, the commercial risks involved could jeopardize the Bank's "triple A" credit rating.

US officials have suggested that if the Bank moves sufficiently in the direction of private sector lending in the next few years, a $750 mn capital increase for the IFC could be discussed. ■

Donors boost aid to Ghana

Western donors pledged $970 mn in grants and concessional loans to meet Ghana's 1991 financing requirements at a mid-May meeting in Paris. The total comfortably exceeded the World Bank's recommendation of a minimum $850 mn. Donors said they recognized Ghana's need for sustained medium-term support, and applauded the government's "courageous and comprehensive" economic reform programme, which is now in its eighth year. In 1990, Ghana received commitments of $853 mn from donors, of which more than two-thirds ($573 mn) has been disbursed. The group of donors welcomed the Ghanaian government's intensified efforts to develop the private sector, particularly to create jobs.

Earlier in March, the International Monetary Fund had approved $165 mn in two tranches for the third year of Ghana's enhanced structural adjustment facility (ESAF). This includes an additional $29 mn to cover increased oil import costs arising from the Gulf crisis, and also to reward Ghana for a "strengthened policy package."

Ghana's "greatest challenge" in the medium-term, said Finance and Economic Planning Secretary Kwesi Botchwey in Paris, was attracting significantly higher inflows of private investment. Although gross domestic investment had risen from 3.8 per cent of GDP in 1983 to 16 per cent in 1990, he said inflows of foreign direct investment outside the mining sector had been "disappointing". The Finance Secretary announced the establishment of a private sector advisory group to help enhance the investment climate.

The government hopes to cut inflation from 37 per cent in 1990 to 5 per cent in 1993. ■

Lewis Preston will take over as President of the World Bank in September from Barber Conable. Mr. Preston was until recently chairman of the board of US banking house J.P. Morgan.

Referendum for W. Sahara

The UN Security Council has set up a mission to conduct a referendum in Western Sahara that is expected to end many years of conflict. Voters will choose between independence and integration with Morocco.

The UN aims to hold the referendum some 36 weeks after the 17 May approval by the General Assembly of the $177 mn budget for the whole operation. The referendum will follow a formal ceasefire between POLISARIO and Morocco set to take effect in early September.

Mr. Johannes Manz, the UN Secretary-General's Special Representative to Western Sahara said, the nine-month mission will be one of the most challenging UN operations ever undertaken.

Known as MINURSO, the mission has civilian, military and security units, and is solely responsible for the organization and conduct of the referendum process, from monitoring the ceasefire, to finalizing the voters' register and announcing the results. The budget provides for a $35 mn repatriation programme for Western Sahara refugees and non-residents which the UN Secretary-General has described as "a political element that is crucial" for an impartial referendum. ■

AFRICA AGENDA

FORTHCOMING EVENTS

31 May, Washington, US: "American Post-Cold War Interests in Africa and the Caribbean", the theme of the 10th annual foreign policy conference of the Trans-Africa Forum, will include a discussion on the Bush administration's Africa policy.

3-5 June, Abuja, Nigeria: Annual Summit of the Organization of African Unity. Expected to adopt the African Economic Community treaty, and consider the proposals from the Kampala conference on security and stability.

16 June: Day of the African Child, organized by UNICEF and its national committees, governments and NGOs in Africa and around the world, with events spread over the month.

17-18 June, Ottawa, Canada: The Challenge of Africa in the 90s is the title of a high level North-South Roundtable. Themes include the impact of the Gulf crisis, and the attitudes of the Organization for Economic Co-operation and Development countries.

11-16 July, Cairo, Egypt: Africa region preparatory environment conference, organized by the Economic Commission for Africa, for the 1 January, 1992 UN Conference on Environment and Development (UNCED) in Brazil.

5-6 July, Abidjan, Côte d'Ivoire: Parliamentarians for Global Action, organized by the African Development Bank, the Friedrich Ebert Foundation and the Forum on Debt and Development. African and Western parliamentarians will discuss African economic recovery, debt relief and popular participation.

15-16 July, London, UK: The Other Economic Summit, held as usual alongside the Group of Seven meeting to provide alternative analyses of development issues with the participation of developing country grass-roots activists.

15-17 July , London, UK: Summit meeting of the Group of Seven leading industrialized countries.

27 July-1 August, Harare, Zimbabwe: Annual meeting of the Association of African Central Banks will discuss monetary integration and monetary union.

19-24 August, Harare, Zimbabwe: 6th Zimbabwe Book Fair.

September, Accra, Ghana: Ministerial meeting of the Non-Aligned Movement.

February 1992, Cartagene de Indias, Colombia: Eighth UN Conference on Trade and Development (UNCTAD VIII). The theme for this conference (with a changed time and venue from the listing in the last issue of *Africa Recovery*) is "Strengthening national and international action and multinational co-operation for a healthy, secure and equitable world economy". The conference focus will include resources for development, technology, and services.

WHAT'S TAKEN PLACE

7-10 January, Cairo, Egypt: 21st African-American conference, organized by the African-American Institute, focused on such issues as democratization, human resource development, and halting Africa's marginalization. High-level participants included African ministers, US Assistant Secretary of State for African Affairs, Herman Cohen, and members of the US Congress.

23-30 January, Bamako, Mali: Pan-African meeting on environment and sustainable development, convened by the Organization of African Unity.

5-7 February, Dakar, Abidjan: Seminar on co-operation between the African Development Bank and non-governmental organizations in Africa's recovery and development process, was also attended by World Bank and UNDP officials.

23 February, London, UK: Conference on the World Bank, organized by the Institute for African Alternatives, also had speakers on the IMF in relation to Bank adjustment policies, and to official developing country debt.

March, Dakar, Senegal: Conference of West and Central African Agricultural Ministers.

6-8 March, Geneva, Switzerland: Objectives and options to strengthen the Tropical Forestry Action Plan was the theme of a meeting convened by the Food and Agriculture Organization, the World Bank, the World Resources Institute, and UNDP, who jointly launched the Action Plan in 1985. Other participants were drawn from the private sector, NGOs, governments, and international agencies.

7-9 March, London, UK: 10th International Book Fair of Radical Black and Third World Books had for its theme "Revolt of the Masses, Democratization, Popular Aspirations and Popular Power in the Processes of Change in Culture and Society".

26 March, London, UK: "Pluralism in Africa", a discussion organized by the Haldane Society of Socialist Lawyers at the London School of Economics.

14-16 April, Cambridge, UK: "Sub-Saharan Africa: The Record and the Outlook", a Royal Africa Society conference at St. John's College, Cambridge University.

14-19 April, Abidjan, Côte d'Ivoire: First African-African American Summit, hosted by President Houphouet-Boigny, and convened by Reverend Leon Sullivan to promote sub-Saharan Africa's development.

22-26 April, Washington: World Bank-NGO consultations on the Bank's forestry policy, with Northern and Southern NGOs.

22-30 April, Mbabane, Swaziland: Conference of African Ministers of Health, organized by the OAU.

24-30 April, Ouagadougou, Burkina Faso: "Women, Family and Population", a conference organized by the Dakar-based Union for African Population Studies.

29-30 April, Washington, US: Spring meetings of the World Bank/IMF Development and Interim Committees.

29 April-1 May, Annapolis, Maryland, US: "Building a Worldwide NGO Movement — People, Participation, Policy", was the theme of this year's InterAction meeting, with some 50 Latin American, African and Asian NGOs joining more than 100 US NGOs.

29 April-3 May, Windhoek, Namibia: Promoting an independent and pluralistic African press was the theme of a seminar organized by the UN, UNESCO, International Federation of Journalists, International Federation of Newspaper Publishers, International Press Institute, and Canadian, Scandinavian and Norwegian official aid agencies.

2-4 May, Oxford, UK: "Governance and Economic Development in Sub-Saharan Africa", a conference organized by the World Bank at Queen Elizabeth House, Oxford University.

6 May, Upper Montclair, NJ, US: Environmental Policies for Sustainable Growth in Africa, a conference with the African Development Bank, Environmental Defence Fund, World Bank, and World Resources Institute.

6-10 May, Abuja, Nigeria: Industrial investment promotion forum, co-sponsored by the Nigerian government and the UN Industrial Development Organization, will also seek technology transfer, and greater market access.

19-22 May, Kampala, Uganda: Conference on Security, Stability, Co-operation and Development in Africa, co-sponsored by the Africa Leadership Forum, OAU and ECA, with some 500 high-level Africans formulating proposals for a new social, political and economic environment in Africa.

27-30 May, Geneva, Switzerland: "Women and Children First", is a symposium on the impact of environmental degradation and poverty on women and children. Sponsored by several UN agencies, participants will include several NGOs representing women from developing countries.

AERC promotes African research on African economies

The African Economic Research Consortium (AERC) annual conference in Abidjan last 9-14 December was another step forward for African research and policy making on economic management.

At the top of the agenda was management, of the macro-economy, of external balances, of internal and external debt, and of domestic resource mobilization. The papers addressed such issues as exchange rate policies in Tanzania, Ghana, Nigeria, Mozambique, and in the CFA franc zone, macro-economic constraints in Kenya and Côte d'Ivoire, capital flight and Nigeria's external debt. Other papers covered Ethiopia, Tanzania, Togo, Uganda, Malawi, Rwanda and Zimbabwe.

The AERC programme was set up in 1988 with funding from multilateral and bilateral agencies as well as private foundations. Its secretariat in Nairobi, Kenya, and annual budget of some $1.35 mn, provides funds and technical support for some 20 teams of four or five mainly African researchers. The AERC holds workshops, and also supports the publication and dissemination of papers and reports.

AFRICA BOOKS

NEW ON THE SHELVES

Towards Economic Recovery in Sub-Saharan Africa, ed. James Pickett and Hans Singer (Routledge; London, New York; 1990; $75) contains 11 essays in honour of Robert Gardiner, Executive Secretary of the Economic Commission for Africa from 1963 to 1975. They include three on Ghana: Mike Faber on the 1983-84 renegotiation of the VALCO agreement, John Toye on adjustment in 1983-87, and J.L.S. Abbey, "a principal architect" of the Economic Recovery Programme, who draws the "overwhelming conclusion from Ghana's experience [with structural adjustment] that perseverance is the ultimate test."

Other eminent contributors are Reginald Green, Peter Robson, Teshome Mulat, Jan Tinbergen, Margaret Joan Anstee, Derek Robinson, Babacar Ndiaye and Shridath Ramphal. Singer and James Pickett provide an introductory overview, with Pickett's concluding article reviewing the prospects for sub-Saharan Africa's low-income economies.

Crisis and Adjustment in the Nigerian Economy, ed. Adebayo Olukoshi (JAD Publishers Ltd, Box 72320, Victoria Island, Lagos, Nigeria; 1991; £40, $52) is a critical appraisal of the political economy of Nigeria, and the appropriateness of the adjustment programme, particularly for Nigerian industry.

La guerre du cacao, Jean-Louis Gombaud, Corinne Moutout, Stephen Smith (Calmann-Lévy, Paris; 1990; FF89) relates the story of Côte d'Ivoire's costly attempt to force up the cocoa price in 1988-89 by withholding part of its exports. Other major players were the French government, and two rival companies, the French Sucres et Denrées, and the US firm Philbro.

Aid for Just Development: Report on the Future of Foreign Assistance, Stephen Hellinger, Douglas Hellinger, Fred M. O'Regan (Lynne Rienner Publishers, Boulder, Colorado, and London; 1988; $15.95). The authors, members of The Development Group for Alternative Policies, analyze development aid and lending institutions — one chapter is devoted to "Transforming the World Bank" — and make proposals for self-sustaining aid operating in alliance with the "marginalized populations" of developing countries.

Development in Practice: Paved with Good Intentions, Doug Porter, Bryant Allen, Gaye Thompson (Routledge, US; 1991; $75 cloth, $25 paper) analyzes the failure of a large, Australian-funded, rural development project in Kenya's Coast Province, and argues for more pluralism in development planning.

The Tying of Aid (OECD, Paris; 1991; $12) analyzes the costs to recipients of aid which is tied to the purchase of goods and services from the donor and which, the book says, can increase development project costs by up to 30 per cent.

Trade, Finance and Developing Countries: Strategies and Constraints in the 1990s, Sheila Page (Overseas Development Institute, London; 1990; £35) discusses developing country trade policies, development financing, and external opportunities and constraints, analyzing 26 countries, including Zimbabwe.

Europe and Third World Debt Reduction: The Role of the Netherlands, ed. Jan Joost Teunissen (FONDAD Policy Research Centre, Noordeinde 107a, 2514 GE The Hague, Netherlands; 1991; $5) contains updated contributions to a May 1990 seminar including one from Jan Pronk, Dutch Development Cooperation Minister.

Extension Alternatives in Tropical Africa, Jon Moris (Overseas Development Institute, London; 1990; £9.95)

Analytical Abstracts on Farmer Participatory Research, Kojo Amanor (ODI, London; 1990; £7.95) Both books look at alternative forms of extension services, and increased farmer participation in promoting new farming practices and more effective dissemination of agricultural technology.

Capacity Building and Human Resource Development in Africa ed. Alexander Kwapong and Barry Lester (Lester Pearson Institute for International Development, Dalhousie University, Nova Scotia, Canada; 1990; Can$5) contains presentations by eminent Africans, and World Bank and IMF officials, at a roundtable in September 1989.

Visages publics du Sénégal, by F. Ndiaye, M. Prinz, A. Tine (Harmattan, Paris; 1991; FF 100). Interviews with 10 Senegalese political personalities ranging from Mamadou Dia and Abdou Diouf to Mahjemout Diop, Abdoulaye Wade, Abdoulaye Bathily and Marie-Angélique Savané.

Third World Guide 91/92 (Instituto del Tercer Mundo, Miguel del Corro 1461, Montevideo 11200, Uruguay) is a very broad resource book covering important themes, from food and debt, to "TV cultural dumping", with basic information on 168 countries and territories, in 612 densely packed pages.

After the Green Revolution: Sustainable Agriculture for Development, Gordon R. Conway and Edward B. Barbier (Earthscan, London; 1990; £8.95) addresses critical issues concerning productive and equitable agriculture.

Climate Change and World Agriculture, Martin Parry (Earthscan, London; 1990; £9.95) analyzes the world food system and the potential impact of the climate changes currently predicted.

Nkrumah and Ghana, Kofi Buenor Hadjor (Kegan Paul International, London; 1990) looks at the domestic and international evolution of this African pioneer.

Problems and Limitations of Adjustment Policies, Tony Killick (Overseas Development Institute Working Papers series, London; 1990; £3.50)

Mothers on Their Own: Policy Issues for Developing Countries, by Nancy Folbre 1990; (International Centre for Research on Women and the Population Council, Washington; 1990; $5.50) discusses links between household structure, family law and social policy.

The World Bank and the Environment: First Annual Report, Fiscal 1990 (World Bank, Stock No 11641; 1991; $7.95) puts the Bank's case in an area of increasingly critical international attention.

Alternative Development Strategies for Africa, Vol. 1: Coalition for Change (Institute for African Alternatives, London; 1990; £5.95), proceedings from a conference in Tanzania held by the University of Dar es Salaam Institute for African Studies and the Institute for African Alternatives.

What Is AIDS?, Dr. F.I.D. Konotey-Ahulu (Tetteh-A'Domeno Company, Watford, UK; 1989; £10.95). The Ghanaian author, already a pioneer in sickle cell research and treatment, investigates AIDS in Africa, and refutes its alleged "African origin".

Promoting Private Enterprise in Developing Countries (Organization for Economic Cooperation and Development; Paris; 1990; $19)

African Entrepreneurs: Pioneers of Development, Keith Marsden (International Finance Corporation Discussion Paper 9; 1990; $6.95). The first book describes donor policy and practice, with field mission reports. The second is a survey advocating deregulation, and more credit for the local private sector, and profiles 25 entrepreneurs from seven African countries.

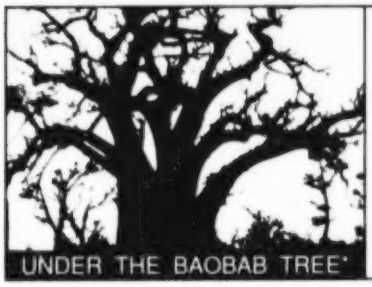
Agricultural Development in Africa and the Supply of Manufactured Goods (OECD, Paris; 1989; $24) argues (with studies of Ghana, Madagascar, Mozambique and Tanzania) that consumer goods and farm inputs are essential for increased output, alongside better producer prices.

Feast to Famine: Official Cures and Grassroots Remedies to Africa's Food Crisis, by Bill Rau (Zed Press, London; 1991; $15).

Listening to Africa: Developing Africa from the Grassroots, by Pierre Pradervand (Praeger, New York; 1990; $14.95).

Looking beyond the prevalent images of Africa as a continent wracked by insoluble economic and social crises, dependent on outside assistance and advice, these two books examine the efforts of ordinary African farmers to solve their own immediate problems. Both discuss the "silent revolution" taking place in villages across Africa, as community and local self-help organizations arise to address the challenges of poverty, drought, soil erosion, lack of credit, poor marketing facilities and inappropriate agricultural policies.

Rau frames his discussion of popular, grassroots initiatives with a critical assessment of the impact of colonial rule on African food production systems, and of the policies subsequently recommended by the international financial institutions and pursued by African governments. Pradervand provides a more descriptive account of the activities and aims of African peasants' organizations in several countries, including Senegal, Mali, Burkina Faso, Zimbabwe and Kenya.



AIDS: SEX EDUCATION IS NOT ENOUGH

DJIBRIL DIALLO

The 16 June, the Day of the African Child, is fast approaching (as we shall see later). The concerns underlying this commemoration cannot be better illustrated than by the poignant case of little Joan Nampala who is less than 12 months old but seems to have spent virtually all her short life suffering from one illness or another. She was admitted to Nsambya Hospital on the outskirts of Kampala, Uganda, the day before our visit. This time she was suffering from severe stomach pains.

This was not her first visit, but Nampala's blood sample was sent away for routine testing. The results came back as we reached her ward: Joan was seropositive, one more victim of what has become arguably the most devastating scourge of recent history. She was lying in a cot in terrible pain, wailing continuously.

Eight other children were in the same ward, all diagnosed as having AIDS. Six were suffering from tuberculosis and two had stomach pains, and like Joan, none of them had ever received any blood transfusion. They must have contracted AIDS from their mothers, all of whom had complicated histories of relationships with men. Seven were part of polygamous households with two or three co-spouses. Another was just one girlfriend among many.

According to the latest statistics, AIDS is now the number one killer of adults in Uganda.

As many as 1.3 million people in Uganda are now infected with the HIV virus which causes AIDS. President Yoweri Museveni is particularly concerned about the long-term impact on the population. At a recent meeting in Kampala with James Grant, the UNICEF Executive Director, Museveni said: "The other day I saw computer projections saying that if we do nothing now and just leave AIDS to run its full course, the population of Uganda will be only 20 million by the year 2015. The population is now 17 million. It would have been 37 million had it not been for the interruption of AIDS".

To stem the growing tide, Museveni called for an intensification of the AIDS-prevention education campaign, and he endorsed a new tool in these efforts: the use of condoms. He spoke with the passion and frankness that have earned Uganda the reputation of being among the pioneers in dealing with the issue of AIDS.

However, education alone does not seem to make a difference in Uganda. At least 80 per cent of Ugandans know about AIDS, but the disease continues to spread at a rate of 11 per cent a year. "During the day we talk about AIDS all the time at our workplaces. But when people go out at night to the discos, they forget. When you see what happens there, you don't believe that AIDS is around", said Lillian Lubega, UNICEF Information Officer in Kampala.

The new challenge of orphans

The goals for Child Survival and Development, adopted at the World Summit for Children last September, would have been a tall order for Africa in any circumstances. AIDS makes the challenge even greater. HIV infection is doubling every three years in sub-Saharan Africa. Worldwide, the number of HIV-infected people rose to 5 million late last year, from the 1987 level of 2.5 million. Some 10 million African children will be HIV infected in the 1990s, and another 10 million will be orphaned, according to the World Health Organization. "The biggest problem with AIDS is the phenomenon of orphans", said Museveni, adding that "for the first time, the number of orphans is so great that they have overwhelmed the community care capacity."

If Africa is to make an adequate response to the AIDS crisis, the global pandemic needs to be tackled with the same ferocious intensity as when a country is confronted with a foreign invasion. That calls for a reappraisal of the measures taken so far to combat AIDS. No less than a macro-response will be required. Incremental measures, however important, have not worked because they have failed to change the basic circumstances. Two measures are called for as a matter of urgency: creativity in the quest for new directions in AIDS research, and a massive injection of additional resources. While countries like Uganda are showing the way forward when it comes to creativity, obtaining the necessary resources is much more elusive.

In the aftermath of the Gulf war, Eastern Europe and other international problems, the attention span of the world seems to be shorter when it comes to Africa's problems. Echoing this concern, Grant said recently: "We have been following these developments closely for several years and we want to ensure that international attention is not diverted from the continuing plight of millions of Africans."

Day of the African Child

An interesting initiative coming out of Africa which is worth watching is the decision by the Organization of African Unity (OAU) to recommend that 16 June be commemorated every year as the Day of the African Child. Beyond its festive nature, the event will present Africans and their friends with an opportunity to assess, year in, year out, the state of the African child — the achievements as well as the challenges ahead. The date happens to be the anniversary of the 1976 uprising of the children of Soweto and their subsequent massacre by apartheid forces of South Africa.

By coincidence, the first year of the Day of the African Child will be a year of celebration of many gains made for children. With the goals of Basic Education for All (adopted in Jomtien, Thailand), the entry into force of the UN Convention on the Rights of the Child, and the World Declaration (adopted at the World Summit for Children), to name a few, there is much to celebrate. And the Day of the African Child will hopefully provide an additional impetus for African countries to translate all these commitments into tangible results for children at the national level.

Philly Lutaaya

Our final words on the AIDS crisis will be those of Philly Lutaaya, the famous Ugandan singer whose death led to an intensified anti-AIDS campaign:

Today it's me, tomorrow someone else

It's me and you, we got to stand out and fight

We'll shed a light in the fight against AIDS

Let's come on out, let's stand together and fight AIDS

In times of joy, in times of sorrow

Let's take a stand and fight on to the end

With open hearts let us stand out and speak out to the world — We'll save some lives

Save the children of the world.

**The African Baobab is one of the world's hardiest trees, thriving in even the most arid environment. It is also the tree under which some Africans traditionally meet to decide issues of common concern.*

AFRICA WATCH

PRIVATE SECTOR

Africa's booming stock exchanges

News out of Africa may be often gloomy, but in one unexpected area — the stock market — the continent is doing well. According to the latest review of emerging stock markets by the International Finance Corporation (IFC), Africa's stock exchanges bucked an otherwise gloomy downturn in developing country markets.

Pride of place went to Zimbabwe's Harare exchange, which showed a 91 per cent gain in 1990 over the previous year, second only to Venezuela. Nigeria's Lagos exchange was also up, with a 24 per cent gain. On average, developing country markets posted a 32 per cent fall in 1990.

The booms in Zimbabwe and Nigeria reflect new investor confidence as the private sector assumes an increasingly important role. Both economies grew relatively strongly in 1990, with business on the Lagos exchange further helped by the government's privatization plans. Kenya's Nairobi exchange, not covered by the IFC, similarly enjoyed a boom in 1990, with the turnover rising 25 per cent, despite a generally difficult environment. ■

FRANC ZONE

Headed towards economic union

The 14 countries of the African Franc Zone have decided to move towards a single market, with common laws and a single, central authority, to promote balanced economic and monetary policies.

At their 25 April conference in Ouagadougou, Burkina Faso, Franc Zone finance ministers agreed to prepare concrete proposals with the two central banks of the African Franc Zone for submission to their heads of state in a few months' time.

The first phase of the proposed union could involve only the seven members of the West African Monetary Union (Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, and Togo), whose integration is seen as further advanced.

UNICEF

Day of the African Child

African and many countries around the world are celebrating 16 June as the Day of the African Child with varied and special events. While focusing on the special needs of Africa's children, says the UN Children's Fund (UNICEF), the Day also aims to encourage further progress on the commitments made by governments at last year's World Summit for Children in New York. The activities begin on 1 June, which is International Children's Day, and continue past the middle of the month. ■

SUDAN

Women going to great lengths

Once in a while, there are unexpected reminders of the struggles that people go through to accomplish tasks that are routinely performed elsewhere. The latest reminder came in a simple letter from editor Amna Badri to the subscribers of *Ayfad*, a women's journal in Sudan.

"Those that depend on imported inputs are going through very difficult times. Operating a computer terminal, using a photocopying machine, buying paper — these are all major problems.

"Our work schedule has to be tied to the [sporadic] availability of electricity ... So we have obtained a small apartment close to the computer room where members of our staff stay. They are on call 24 hours a day. As soon as electricity is switched on, they rush to the computer room to do their work."

If you think this is tough, Dr. Badri says, "the printing press faces even more problems than we do. It takes us 9-12 months to get you the journal from the time we receive manuscripts. In spite of all these problems, producing the journal is both a joy and an obligation." ■

DEBT

Two views

Ugandan President Yoweri Museveni, the current chairman of the Organization of African Unity, addressing the European Parliament in Strasbourg on 13 March 1991: "Africa's debt amounts to three times its exports, and almost equals its total annual output. Africa will sink into the depths of despair ... with bloodletting, starvation and chaos, unless the burden is relieved in the near future."

Also on 13 March, IMF Managing Director Michel Camdessus, speaking in Washington: "The debt problem is still with us, although we have made some progress. It is no longer a crisis that threatens the global economy and financial system. But we will need to persevere with the joint debt strategy for several years to come." ■

New ECA head

Mr. Issa Diallo has been appointed Acting Executive Secretary of the Economic Commission for Africa (ECA) by the UN Secretary-General. The appointment takes effect on 1 August, the retirement date of current ECA head, Mr. Adebayo Adedeji. Mr. Diallo, a Guinean who has been Special Assistant to the UN Secretary-General since 1986, has written several books on political and economic cooperation in Africa.

ADJUSTMENT

Africa's view, made simple

A popular version of the African Alternative Framework to Structural Adjustment Programmes (AAF-SAP) has been produced by the UN's Economic Commission for Africa for non-economists interested in understanding Africa's position on economic reforms appropriate for Africa. It is intended for students, workers, parliamentarians, "even policy-makers", and is available from the ECA in Addis Ababa (Africa Hall, P.O. Box 3001) or from Africa Recovery. ■

Africa Recovery is published in English and in French by the Communications and Project Management Division of the United Nations Department of Public Information, with support from the Secretariat of the Africa Recovery Programme Steering Committee, UNDP, UNFPA, UNICEF and the World Food Programme. Its contents, however, do not necessarily reflect the views of the United Nations or the publication's supporting organizations.